



## EDITORIAL NOTES.

**B**Y the death of John Malcolm Ludlow, on the night of October 17, 1911, at the ripe age of ninety, we have lost the last survivor of that little band of stalwart enthusiasts who unfurled the banner of Christian Socialism in 1848. No doubt some of the men whom he won over to the new cause—Frederick Denison Maurice, Charles Kingsley, Thomas Hughes, Vansittart Neale—were more in the public eye. But it was Ludlow who, though born in India and educated in Paris, or perhaps because of this special training and experience, initiated the movement, and remained throughout, though always in the background, its staunch and persistent driving force. And he lived long enough to see the full fruit of his labours. The Co-operative Movement, the Christian Social Union, the Labour Co-partnership Association, are all lineal descendants of the splendid pioneers of 1848. But, above all, these men were men of faith. No apparent failure could daunt them or abate their zeal. Their first literary venture, *Politics for the People*, only lasted three months; the *Christian Socialist*, of which Ludlow was the editor, did not survive two years; and not a few of their earlier co-operative ventures came to grief. But still, in 1908, at the time of the Pan-Anglican Congress, Mr. Ludlow appeared on the platform at the Royal Albert Hall, and once again affirmed his invincible faith in the old fundamental moral principles, and his buoyant optimism for the future. Readers of the *Economic Review* will remember that Mr. Ludlow was a frequent contributor to our pages twenty years ago. We shall miss his wise counsel, his intense interest in the work, and his never-failing encouragement; but we shall continue to thank God for the noble example of his truly Christian life.



The anxiously awaited Report of the Royal Commission appointed to inquire into the working of the Railway Conciliation Scheme of 1907 was finally signed on October 18 last and published immediately. Its publication seemed at first only to fan the embers of discontent once more into flame. Nearly every paper was immediately filled with long and indignant complaints from the side of the men. They complained of the Report as both inadequate in scope and unfair in its conclusions. The criticisms were no doubt in many cases hasty and ill-informed: many of them, for instance, implied a thoroughly false notion of the sort of question which an inquiry of this kind is competent to decide, and a complete ignorance of the actual limitations imposed upon this particular commission by the conditions of its appointment. No one can seriously have expected the Report to deal with the question of wages at all, and those who complained of the omission of this problem were complaining of the Commission for not having done what every one knew it could not do. They may have been right in their original opposition to the Government offer of a Commission; but the offer was accepted, and they ought to have known that the business of a Commission would be, not the consideration of alleged injustices with a view to righting them; but the devising of a machinery which would enable the companies and the men themselves to deal, fairly and promptly, with such allegations.

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The agitations and disturbances of last summer did not succeed in putting before the country a single intelligible demand which could be met by a single concession. The strike did not follow upon the rejection of such a united demand. On the contrary, confused voices were heard representing a considerable variety of grievances. So far, however, as the railwaymen did speak with one voice, the agitation was interpreted as a demand for the "recognition" of the Railwaymen's Unions based upon the proved impossibility of working properly the Conciliation Scheme of 1907. But the demand for the "recognition" of the unions is itself not free from obscurity. The Commission, in commenting on the evidence brought before it, justly points out that while "the most

important, if not the main; efforts of the companies and the men were directed to the question of 'recognition'; yet "the exact meaning of the term, as it would be applied in practice, is not quite clearly conveyed by either of the parties." But though it was not clear, on the evidence, what exactly the men; who asked for recognition, wanted, or what exactly the companies, who objected to recognition, were afraid of, yet it was obvious that the chief task of the Commission was to answer a question which the negotiators in 1907 had rather shirked. The question might be put in this form—"When a dispute arises between a company and its employees, what part, if any, may the Trade Union officials play in the negotiations? and, if they are admitted, in what capacity are they to be admitted?" It may reasonably be supposed that full "recognition" would be to give the Trade Union official, *as such*, the right to make himself heard at every stage of the negotiations. In other words, it would be to give the representatives of the Union an official status in any and every dispute between employer and employed.

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Recognition, in this sense, is certainly no more conceded in the amended scheme submitted by the Commission than it was conceded in the scheme of 1907. Neither scheme gives any place to the Trade Union official, *as such*. But while the earlier scheme definitely excludes the Trade Union official until the final stage in which the matter comes before an arbitrator, the new scheme provides that the men's representatives on the Conciliation Board "shall be at liberty to appoint as their secretary any suitable person, whether an employee of the company, or a person from outside." Thus, while the representatives, who alone have votes; must be employees of the company, their secretary might well be a Trade Union official. By the earlier scheme there were two separate stages in a dispute, before appeal was made to an arbitrator, from which all but employees of the company were excluded. The matter went first to the "Sectional" and then to the "Central Board." The new "Conciliation Board" corresponds to the old Sectional Board, and the Central Board disappears. In future;

therefore, if the initial appeal direct to the company fails, the men will have the support of their own chosen advocate from beginning to end of the subsequent negotiations. If we add to these changes the revised system of arbitration which the new scheme proposes, there is good reason to think that this scheme should go some way towards securing the ends which the Commissioners set before them. "Amendments to the Scheme of 1907, should," they say, "aim at promptness of settlement, uniformity of procedure, and finality of decision, and the machinery should be such as is calculated to secure the confidence of those whose interests are involved in its operations."

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Clearly a scheme in the machinery of which masters and men have no confidence is worse than useless, and without such confidence the desired promptness and finality is not likely to be realized. Clearly, also, this Report is not sufficiently drastic or sensational to turn distrust in a moment into confidence or to make a good electioneering platform. Some of the men's most trusted representatives, realizing this, have made great efforts to bring home to the men the real bearing of the new proposals and the reasons for which it is worth while giving them a trial. They have so far prevailed that a Conference has at last been arranged at which men and masters may jointly consider the best way of giving effect to the recommendations of the Commission. The situation is still a critical one, and the danger of another strike is by no means past. Believers in Trade Union democracy may well consider with anxiety the meaning of recent events, and look forward not without fear to the issue. Is a democracy always to be the slave of a word like "recognition"? Is a Trade Union capable of resisting the temptation to a dramatic *coup*, and of postponing present to future advantage? These are questions to which a simple answer is impossible. But if, as we think, the Commission has done its work well, and made an honest and straightforward attempt to balance conflicting demands and remove genuine grounds of complaint, we have in this Report a test of the sobriety of Trade Unionism and of the genuineness of its professions. We can hardly think that the Unions will fail to rise to the occasion.

Since the foregoing paragraphs were written, it has been announced in the Press that the Conference of masters and men which has been considering how best to give effect to the Commission's Report has come to an agreement. The terms of this agreement as published mostly take the form of a series of amendments to the draft scheme appended to the Report. In most cases the amendments seem to carry out and make more explicit the intentions of the Commissioners, but there are some real alterations; and the three concluding items of the Agreement travel beyond the Report altogether. Of the amendments, the most important are those which shorten and remodel the preliminary stages of negotiation preceding discussion by the Conciliation Board. The tendency here is to make the preliminary protest easier and less invidious. Any proposed alteration in the terms of employment which might be supposed adversely to affect the employees now comes up automatically for justification in the Conciliation Board, and it is no longer necessary for any of the men to risk earning a bad name by organizing protests and petitions; but here, as elsewhere, the sovereign rights of the employer in matters of management and discipline are safeguarded. This seems a real improvement, likely to minimize friction and expedite settlement. The masters gain by securing for the proposed change, if they make good their case, what is practically the express sanction of the joint board; and the men gain in being able to employ from the beginning of negotiations the services of their secretary-advocate. The other amendments are of less general interest, and need not here be considered.

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The concluding paragraph of the Agreement, which has, strictly speaking, nothing to do with the Report of the Commission, announces a concordat on a point which has long been the cause of discontent and ill-feeling in some parts of England. In it the railway companies represented pledge themselves, when they engage extra men for the manipulation of goods traffic, not to pay them less than the minimum wage paid to those regularly employed in this class of work; and they also promise to use their good offices to get other companies to adopt the same policy. This pledge will

give great satisfaction, and is a fitting conclusion to a noteworthy document. As a whole, the Agreement is undoubtedly based on a loyal acceptance of the findings of the Commission, and shows in every line the marks of a genuine attempt to remove obstacles to industrial peace. The country cannot be too grateful to those responsible for it. Sir George Askwith, in acknowledging the vote of thanks which was accorded him for the help which he had given as Chairman of the meetings, said that causes of friction would of course arise from time to time, but if they were treated in the spirit which had prevailed in this conference, they ought rapidly to disappear. There is, certainly, a spirit which makes difficulties disappear; and it has not been common lately on the railways. It may be hoped that the Conference, which is in many ways a new departure, is only the first sign of a new temper and a more profitable kind of controversy, which is beginning to capture the railways, and will win for them the peace which other more highly favoured industries manage, though not without difficulty, to maintain.

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The exit of the National Insurance Bill from the House of Commons was painfully unlike its entrance. On its introduction it was applauded on every side: the "principles" of the Bill (rather ominous emphasis, perhaps, was laid on the word) had, it seemed, no enemies. As time went on, the friends of the principles seemed to have less and less relish for the details, until there came a time when Mr. Lloyd George was advised, even by his own party, to drop the Bill and wait for a more convenient season. The Chancellor's ardour, however, was not to be damped: his optimism was proof against all attacks, whether from friends or enemies; and he has now succeeded in piloting the Bill through all its stages in the Commons. Even those who distrust Mr. Lloyd George and dislike his peculiar methods must admit that this is a feat not easily paralleled in recent political history. The mere carrying of the Bill, the mere conciliation (even if in some cases only partial) of the various powerful interests which at various times have seemed to be in irreconcilable opposition to its provisions, is a performance so audacious and so spectacular that it is almost impossible not to be quite carried away by it. The atmosphere

created is one in which criticism can scarcely draw breath. But the real struggle is still to come. Whatever the future has in store for this measure, one thing is certain, that the antagonisms created by the Act in operation will be quite different from those aroused by the Bill before Parliament. These antagonisms will be less dramatic and their conciliation less spectacular ; and unless every one does what he can to make the measure a success, they may never be conciliated at all. But, given plenty of good faith and a certain amount of good luck, the measure may yet justify its venturesome claim to be " the greatest measure of constructive social reform ever presented to any deliberative assembly in the world."

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The weakest point in the existing Old Age Pension system has always been the crude sliding-scale which makes it useless to a pensioner to have more than eight shillings a week in addition to his State pension. For every shilling which he may have acquired over eight, his State pension is reduced by a shilling. A great many evil consequences follow, most of which might have been avoided if the Government and Parliament of 1908 had simply adopted the New Zealand plan of reducing the pension by only sixpence for every shilling of extra income. The framers of the Insurance Bill and its very numerous critics seem to have entirely overlooked the point. Under the Bill a person may receive the disablement benefit of 5s. a week, although he has other income of, say, 12s. 6d. a week from some other source. But the moment he reaches the fatal age of seventy, the 5s. a week stops, and he is debarred by his income from applying for an old age pension. This seems so obviously absurd, that it must greatly assist the demand for a reform of the old age pension scheme.

## STATE TELEPHONES.

THE transfer of the telephones to the State on the first of January this year is of more moment than has generally been realized. It marks an extension of the enterprises for which the State is now responsible, which will have its bearing upon such questions as the nationalization of railways. But it also marks a stage in the history of telephones. The economic changes for which the telephone has been responsible are not realized at their full value. The truth is that the localization of industries has been modified in a serious degree, that the movement of industries from urban centres has been rendered possible, that there is closer touch between financial interests, that the mobility of labour has been increased, that the control of businesses has been both centralized and enlarged, that even partnerships have changed their nature and the old "sleeping partner" has become an active counsellor, ready, day by day, with his advice, that access from farmers—and particularly fruit farmers—to their markets has been made much more easy, that stocks and supplies are not now so large in many industries as they used to be, that subsidiary industries need not be so closely connected with the larger industries as formerly, and can be placed rather where raw material is available than where demand is pressing, that the "market," in the economist's sense of the word, is made co-terminous with the whole area of demand, and that much unnecessary transport is saved. This, in itself, is by no means an insignificant, even if it is not an inclusive list. None of us quite understand what an economy has been brought about by the transfer of ourselves, so to speak, by the electric current instead of the physical movement from place to place. Even ten years ago the conduct of any commercial business meant a considerable amount of running about. Possibly we used the more or less efficient office-boy, and

that entailed the writing of hurried notes. To-day, we speak direct to our friends. Even august colleges at the Universities have found the telephone to be an economic advantage, and public schools permit parents to make inquiries by telephone as to their children, and in some cases to speak to their children.

In social life the cords which bind us together have found the telephone wire to be one of the most precious. Here, however, we are only at the beginning. The suburbs of American cities, and the towns of Switzerland are much closer knit than are English suburbs or English towns. American children confer over their home lessons, and the busy Swiss housewife exchanges crochet patterns by telephone. Bit by bit we are growing in England towards a more closely welded social life. The penny post is a factor. The telegraph is a factor. But the telephone seems to be the dominating influence. Not long ago the suburban shopkeeper took rather lightly the orders which he received by telephone. The lady had not come to inspect the meat or to taste the cheese, and consequently she was supplied with that which she would never have accepted had she come in person to do her shopping. To-day, the suburban shopkeeper has learned that if he is to hold his telephone clients he must be especially scrupulous to serve them well. It is less troublesome to him to receive the orders by telephone, and it is worth his while to cater specially. So here, again, we see an economic influence which is of more value than appears at first sight. It is of no little value that the slavery of shopping should be relieved : it is of no little ethical value that a tradesman can only do his best business if he learns to do it with scrupulous honesty.

The transfer of the telephones to the State comes, therefore, at a psychological moment. The small user has arisen. It is all very well for a writer in the *Daily Mail* to urge that business men "in a large way" are willing to pay a high price for an efficient service, and that they are more likely to get what they want if the telephones are in the hands of a private company or a private corporation of some kind. There is an easy answer. The telephone is now a public utility. It has outgrown the days when only the large business felt itself entitled to its advantages and paid a high flat rate cheerfully. It is not now one of the weapons



with which the large business can oust the small rival. It calls for such an extension in the use of the instrument as will place it within reach of all who have any business of their own to do. To carry out logically the idea of the high-price large-business telephone, we should at once concede the triumph to the "trust." Put the telephones in the hands of a financial corporation in sufficiently close relationship with other large financial interests, and the "business man's" ideals would be realized, as he stated them in the *Daily Mail*. He warns us that the Post Office may bend too kindly an ear to the small user. It is a curious reproach in our democratic day, and it contains its own refutation. Whatever faults the Post Office may have, the penny letter, the half-penny circular, the sixpenny telegram, and the similarly cheap telephone call will not be reckoned among them by the public at large.

The history of the telephone in England is less creditable than the history of the telephone in Germany. We have suffered from a curious vacillation of ideas. All along it has been the Postmaster-General's monopoly, since the day when the Courts decided that the telephone was a telegraph instrument. But at that early date it was not regarded as being of the commercial value which we now find it to be. Indeed, it is said that even in the 'eighties an expert of high repute pronounced it to be merely a toy. Now there are ample precedents, and, indeed, some justification for permitting a private company, at the outset, to exploit a scientific discovery, even if there is some hope that the State will take it up after its success is assured. Put in this crude form it looks something like "heads I win, tails you lose." But this occurred in Germany as in England, and, provided that due care is taken to safeguard the interests of the private company, it does not seem to be an unjust arrangement. The company does it under the clear terms of a licence. The conditions under which the licence can be terminated or renewed are clearly known. In England the terms are usually described as particularly onerous, in that the telephone company had to pay a royalty to the Government of ten per cent. of its income. Yet in the United States the Bell telephone companies were called upon to pay twenty per cent. of its entire receipts to the telegraph

company merely as a solatium for damage to telegraph enterprise. In England the ten per cent. covered more than this damage, in that it constituted a right to operate and the telegraph system was the property of the State which conferred that right.

It was at a later date that vacillation in ideas crept in. The story of municipal telephones in England is a tangle. It is very easy to say that one municipal system after another failed utterly. But it must be remembered that the municipal systems began after the great telephone company, the result of a number of amalgamations, was in possession, and that they had to run the gauntlet of a fierce opposition. True, they pulled down the tariffs, and the great company followed suit. But it is not quite certain that their financial arrangements in the matter of sinking funds were sufficiently sound. We seem to be on the eve of great changes in telephone equipment, and labour-saving apparatus of a revolutionary kind is being devised. It is doubtful if the municipalities would have been able to incur the enormous cost of such changes as would bring their apparatus up to date. However, this need hardly be discussed, since municipal telephony is practically a dead letter. It is very curious that in the proceedings before the Parliamentary Committee which recommended nationalization there was something of the nature of municipalization in the minds of some of the witnesses. That is to say, some of them seemed to think that the National Telephone Company might be bought out and the plant re-sold to municipalities.

But public opinion has developed since 1905 entirely in the direction of nationalization. Various efforts have been made to reveal certain horrors which will follow nationalization. The *Spectator* has wailed and lamented. A fierce newspaper propaganda was begun last year, which pretended to be sacredly individualistic in its holy aspirations, but showed throughout a warm affection for the National Telephone Company. The public was heedless. It did not feel any burning hatred of the Post Office. It did not quite realize that all efficiency would stop short in 1911, with the death of the great company, as art stopped short in the cultivated court of the Empress Josephine. The fact is, that the public instinct was right and the propaganda was wrong. No economist of

repute raised his voice (or pen) against nationalization. It was perfectly clear that a public utility had to be given to the public use on a scale far wider than any private company could give it. The public instinct realized that letters were delivered and collected in a way which no dividend-paying corporation could rival. In the more sparsely populated districts the Post Office was as eager to give a good service as in the crowded towns. Indeed, it is well known that it is a tradition of the Post Office to cater liberally for rural and semi-rural districts. Though the *Spectator* fumed and the Press propaganda distributed its special articles, the public did not rise in rebellion against bureaucracy and red tape. It knew better.

Yet it is opportune to consider carefully this question of nationalization, for the success or failure of this great experiment must have its influence on other proposals, especially on the question of railways. In America the telegraphs and telephones are not nationalized. Now, it is as well to consider the United States at the outset. I have already defended the great Telephone and Telegraph Combine in the pages of the *Economic Review*.<sup>1</sup> I believe it is thoroughly efficient in every way. Certainly the New York Telephone Company serves its own area better, I think, than any other similar company, and that company is a portion of the great Bell interests. The Western Union Telegraph Company is allied with the same interests. In America, however, the doctrine of the State control of public utilities is gaining ground. Just recently the telephone tariff between New York and Brooklyn has been reduced from ten cents to five cents by edict of a Public Service Commission. This is not nationalization, neither is it uncontrolled private enterprise. Those who argue that private enterprise is more efficient than State enterprise, and who quote the New York Telephone Company as an instance, are apt to overlook this fact. The controllers of the vast telephone interests in the United States are too farsighted to object to these commissions. They know very well that duty to the public is only performed satisfactorily when the public is able in some tangible way to say whether or not that duty is performed. That is to say, the private company can only free

<sup>1</sup> July 15, 1911.

itself from the suspicion of exploiting the public in favour of its own interests when it accepts a measure of State control which has never been directed to private companies in England. Even with all this it can hardly be claimed that the extension of the telegraph or the telephone systems in less thickly populated districts of the United States is at all what the British or the German public expect of their State departments. This can be frankly admitted without in the least forgetting that in the methods of administering telephones we have much to learn from the great companies of the United States, an admission which, singularly enough, does not apply equally to telegraphs.

The whole question of public ownership of telephones is admirably discussed in a volume which Dr. Holcombe, of Harvard University, has recently issued under the title *Public Ownership of Telephones on the Continent of Europe*.<sup>1</sup> I cannot agree with all that Dr. Holcombe says, but certainly in his general review of the situation he makes an admirable defence of State ownership. He finds that it succeeds beyond question in Germany, Austria, and Switzerland; he does not find that it succeeds in France. He discusses this curious fact in a philosophic fashion, and finds the reason to lie partly in the different temperaments of the peoples, and partly in different political circumstances. Now, historically it is a very curious fact that the nationalization of telephones in France should have been so little successful, though, as a matter of fact, there is ample promise of far greater success in the future. The first idea of nationalizing the telegraphs arose from the Napoleonic spirit, from the ready acceptance of the value of telegraphs as military defences. It was so with the old optical telegraph, and a hundred and twenty years ago an optical telegraph was equipped between Paris and Lille. A similar military idea prevailed in England, but while the French made the telegraphs a Government monopoly in 1837, private enterprise continued in England until 1870. The probability is that in France the economics of the question differ entirely from the economics of the question in Germany and in England. The public interest in the telephones in Germany has been manifested

<sup>1</sup> *The Public Ownership of Telephones on the Continent of Europe*, by Dr. A. N. Holcombe. [xi, 482 pp. 8vo. 8s. 6d. net. Constable. London, 1911.]

by many local committees of Chambers of Commerce and the like; who have worried the Government in respect of rates and of the extension of the service. This was not merely a matter of temperament. Rather it was that rapidly-growing industries needed the rapid interchange of communication in order to fight their way. The industries of an old industrial country, such as France is in comparison with Germany, are not so quick to seize a new weapon. All the economic advantages described above were realized by the German commercial community long before they were realized in France, or even in England. It was the struggle of new industries against the old-established industries which awakened Germany to the value of speedy communication. So we might say that this factor has a bearing quite as important as the more rapid advance of telephony in Germany as the differences in temperament which Dr. Holcombe emphasizes. True, the wretched financial arrangements of France have had a bearing on its slow progress in this matter, since a ministry dared not sink capital without the prospect of an immediate return before its too brief lifetime came to an end. But altogether, it must be said that Dr. Holcombe hardly gives sufficient weight to the economic factors.

The book contains an admirable discussion of tariffs. It will be seen from what has been said that a sound tariff will provide for the small consumer. Be the large business man never so insistent, he will never convert the world to a general rate for unlimited user. Dr. Holcombe is enthusiastic over the Austrian graded rate, and with justice. It is a tariff which the student of telephone economics needs to take into careful consideration. True, there are features which especially suit the conditions in Austria, and naturally these have impressed the German experts, so that this graded tariff, with its characteristic variations for towns of different sizes, has been extensively imitated. But Dr. Holcombe is wrong when he permits us to suppose that certain American companies have retained the flat rate as a scientific expedient. The New England Telephone Company retained it because the Massachusetts Highway Board urged it upon them. In truth, no expert has anything to say in behalf of flat rate for business men with varying needs, though there is a feeling that a

low flat rate is possible in residential districts with slight variation in the user. All this has yet to be studied, and a science of telephone tariffs has to be evolved, as it will be evolved in the fulness of time. Much depends on the developments in apparatus. It may be that the reduction in the unit of staff cost which will follow the introduction of automatic apparatus may throw an impetus on the side of fixed graded tariffs rather than measured service strictly so called. But the story of rates in France would lead us to demand great cautiousness in the application of new tariffs. It is one of Dr. Holcombe's most interesting chapters, and should be read by every one interested in the question.

However, we shall see how these questions will be faced in England, when the time comes to apply in practice all that experience has learned in different portions of the world. The Post Office in England has become a vast undertaking. By this recent Act 20,000 persons have been added to the State employ. It is a step forward in nationalization, though it does not mean, of necessity, that it has come about as the result of a deliberate conviction on any one's part that Socialism is the final solution of our economic problems. It has evolved by reason of the stress of circumstances. Economic forces, financial considerations, influences connected with the rapidity with which new inventions have been put forward recently—all have had their influence, and political considerations have hardly entered. But the student of economics has here abundant material for study, and so has the student of sociology. Success is hard to define. Shall the State seek success in respect of its management of telephones in a good balance-sheet, in a widely-extended and cheap service, in the welfare of its workers, in its ready adaptability to public needs? The critics fasten on the balance-sheet, but they will do well to look at the other three phases of the question. It is rather therein than in the more gross matter of money that those who follow us will judge the success or otherwise of the nationalization of the telephones.

JOHN GARRETT LEIGH.

## THE JAPANESE GOVERNMENT AND SUGAR.

### I. DR. KAWATSU'S BOOK.<sup>1</sup>

THE chequered and exciting career of the sugar product all over the world, not less than in Japan, renders the topic a fascinating one to economists. When Japan entered the commercial world fifty years ago, quite a number of districts in Japan proper produced sugar cane, fostered by the mutual rivalries of the autocratic clan chiefs. It was not long before imported sugar practically destroyed this enterprise, which is now almost confined to some little islands to the south-west, only incorporated in comparatively recent times with Japan. Consumption, however, steadily increased and some revenue was realized by import dues. A refining industry, getting the crude article from abroad, sprang up in the chief commercial centres, and these were granted a rebate of the customs dues when their product was placed on the home or a foreign market. What was consumed at home contributed to the revenue through the excise levied upon it. Sugar attracted the attention of Japanese publicists in two ways. It was clearly a popular necessity, and therefore, from a military standpoint, should, if possible, be produced within the empire. It was a large import, and therefore contributed to the adverse balance between exports and imports. And there should probably be added a sentimental objection to the appearance of any foreign article within the limits of what Dr. Kawatsu calls "our celestial country, the home of perfect peace."

The cession of the Island of Formosa by China in 1895 brought within the limits of the Empire a well-established sugar-producing territory. In the period following 1860 an output of

<sup>1</sup> *Hompo Sato Ron*. By Susumu Kawatsu, D.C.L. The work is bound up with a treatise on the match trade, which was reviewed in the *Economic Review* for October, 1911. [406 pp. 8vo. 4s. Ryubunkwan. Tokyo, 1910.]

1,000,000 kin had been reached once but not passed. It was also a country in which in 1896 the administration raised £271,000 and spent £965,027 (in 1899, after the disturbances were over, £1,122,661 and £1,742,661 were the figures). Moreover, it was an opportunity of showing that Japanese administrative ability was at least the equal of that of the sundry other nationalities in the world who have alien territory subject to them. It was a commonplace of comparative administration that the Dutch management of Java was the most brilliant business success in the history of such undertakings. A leading feature of it was the raising of sugar cane and the manufacture of sugar on compulsory lines. (The Japanese not being coffee drinkers; there was no inducement to follow Java in that other most important lead.) The raising of sugar cane had the additional attraction that it involved the development of the sugar manufacturing industry, which might be made a means of attracting capital to the island. Everything pointed to finding in Formosa the solution of the sugar problem at home. Given the sentiments of the people concerned, it must be admitted that the opportunity, the efforts made to take advantage of it, and the *dénouement* were nothing short of dramatic. Dr. Kawatsu waxes lyrical in describing them.

In 1883 the Japanese consumed 3·4 kin<sup>1</sup> of sugar per head per annum; in 1892 6·5, in 1902 9·0, in 1908 10·0.<sup>2</sup> In 1897 Japan produced 180 million kin of sugar and imported 400 million; in 1909 she produced 380, and imported less than 300 million kin. The refined sugar export of Japan proper rose from 778,361 kin in 1902 to about 50 million kin (29,017 tons sold for £518,900) in 1909. The sugar consumption tax is expected to bring in £1,503,000 in the financial year 1912 in Japan proper. It only brought in £61,000 in 1901-2, when it was first levied (at a lower rate). These four interests are separate, but they all show progress calculated to gladden the heart of the patriot. It should be added that the Formosan administration has received no grant in aid

<sup>1</sup> 1 kin=1·3227734 lbs. (avoir.). I propose to quote figures in kin not lbs., because the Japanese Government statistical publications printed in English quote kin, as do the British consular reports.

<sup>2</sup> In 1906 the consumption in England was 67·0 kin, in Germany 32·0, in France 26·0.



since 1904-5, and that in 1909-10 it raised and spent £2,900,000 in the island. The grants down to 1902 amounted to £2,732,000. Formosa had raised £1,800,000 in loans up to 1902, for which she is directly responsible.

Dr. Kawatsu does not, in fact, touch upon this last aspect of the question. Nor does the Japanese sugar export trade arouse his enthusiasm, though this is somewhat remarkable since he predicts an output at a very early date far in excess of any possible Japanese demand. On this question of export he sums up in a very judicial tone. We have, he says, exported a good deal of sugar to the Chinese market, but that was not because we were really competent to contend against either the crude product of Java or the refined product of Hong-kong: it was because the Chinese market afforded room for us as well. "There is no possibility of a victory for us." "We cannot meet the foe and, wrestling with him, show which is male and which female, so far as sugar is concerned." "In some seasons a drought in Java or a bumper crop at home may enable us to quote practicable prices." He leaves the effects of a bumper crop in Java and a typhoon in Formosa severely alone. What he is exultantly triumphant over is the rapidity with which the goal of "self-produced own supply" (*ji san ji kyu*, an amusing example of the possibilities of Chinese syllables in terse expression). This, he insists, must be attributed entirely to the two-fold action of the Government, first, in stimulating the production in Formosa, secondly, in excluding the foreign article "from our celestial country of perfect peace" by means of an insurmountable tariff wall.

The actual consummation of this policy cannot be shown in figures, since it was only due to take place in July, 1911, when the import tax on foreign sugar was to be raised to 50 per cent.,<sup>1</sup> and the rebate, of practically the whole of it, enjoyed by the refined article when put on the market, was to be abolished. Mr. Consul-General Layard, reporting on the trade of Kobe in September, 1911; says, "the increase in the duty will very materially affect the import of foreign sugar, and the Formosa product may, in consequence, entirely control the Japan market in the near future."

<sup>1</sup> 6s. 2½d. per 100 kin.

I have been unable to find out exactly what action the Government has taken in the matter. I have asked the chief sugar merchants in Hiroshima and Shimonosiki, but they are equally in the dark themselves. The retail price seems to have risen nearly 1*d.* per lb. Some of the statements which have appeared in the press may be found interesting. On July 17, 1911, the *Kobe Herald* said—

“The mills are now busily engaged in refining crude sugar imported from Java in anticipation of the coming into force of the new customs tariff. As the term in which they can get a rebate off the higher duty goes into force to-day the companies have been in a great hurry to get in all the crude sugar before that date. . . . It is impossible to say what the position of the refiners will be when the system of return duty has been abolished.”

A month later the same paper said that the refiners are now to get a rebate of the whole duty, 6*s.* 2½*d.* per picul, on foreign crude sugar in the event of their exporting the refined article; but no rebate whatever if they sell it in Japan. The paper estimates that, as the refineries can handle 50,000,000 kin per annum, and the contract with Formosa is only for 30 million kin, the import from Java will continue to stand at 20 million kin. The paper also deprecates the statement, which has apparently been made; that the refiners insist upon having Java sugar because of its superiority to Formosan. Early in October, 1911, a commissioner of the “Temporary Sugar Bureau” (Government) of Formosa was reported in the *Japan Chronicle* as saying that—

“the total Formosan output for this year will be 300 million kin of crude and 50 million kin of brown sugar, a smaller total than that of last year, due partly to a disastrous typhoon. This will leave a deficit of between 20 and 30 million kin in the total amount required to meet the Japanese demand, and this will have to be made good from abroad. On the other hand, a rise in the price will reduce the Japanese demand, and it may not be necessary to import any sugar at all from abroad.”

The actual import of foreign sugar in the month of September, 1911, alone, two months after Dr. Kawatsu expected all import to cease; cost £137,330 (compared with £156,732 in September, 1910), which, at 18*s.* per picul, gives 15,258,800 kin. The amount imported in

the nine months ended September 30, 1911, cost £890,087, giving 98,893,040 kin. No doubt the Formosan commissioner is thinking of the supply which will shortly be available, and not of what is available now; but as the Formosan output of 1911 is less than that of 1910, and the refineries are recovering their big output of some years back, it is to be expected that these figures will be repeated. The divergence between this official estimate and the import returns serves to illustrate the official, which is also Dr. Kawatsu's, point of view. The position appears more clearly in the British Consular report for Formosa for 1910 (published August, 1911). The total Formosan production in 1910, he says, was 4,079,344 cwts. (1 cwt.=84 kin); of this, 3,719,536 cwts. were sent to Japan, 476,190 cwts. being for refining and 3,243,346 cwts. for direct consumption. 10,426 cwts. were exported to Shanghai, Hankow, Dabay (Dairen), and Corea. The balance was consumed in Formosa. The relative importance of these figures may be judged from the world's output in 1910, which was 1700 million cwts. of cane and 1630 million cwts. of beet sugar.

The purpose of Dr. Kawatsu's book is to describe the splendid present and the still more glorious future of the Japanese sugar output, and to give the credit for it where that credit is due. His prediction of its future development consequent upon increased irrigation, increased area under cane, an extended use of fertilizers and of the most productive kinds of cane in Formosa, and of the last two improvements in the Loochoo and Bonin Islands, puts the total Japanese output for 1920 at 910½ million kin, distributed thus in millions of kin: Japan proper 23.34, Bonin Islands 1.27, Loochoo Islands 86 (the government sugar bureau expects 100 before that date) and Formosa 800. At that time if the Japanese and Formosans develop as they should as consumers, the home market should take 760 million kin. The sugar bureaux in Formosa and in the Loochoo Islands predict as great an expansion but do not estimate beyond 1917.

With regard to the prospective surplus, our author confines his pronouncement to certain hard sayings. The Formosan Government, he points out, besides subsidizing cane growing, irrigation, fertilization, and machinery, gave a bounty on crude sugar equal to the rebate enjoyed by Java crude sugar in Japan.

These measures made the industry so profitable that capital fairly poured in. The Government has done quite enough, and should now withdraw its hand. The prohibitive tariff is all the protection the industry ought henceforth to enjoy. Fierce competition within the tariff wall should then ensue, to the great benefit of the consumer both in quality and price, while compelling the producer to develop his skill and appliances. That will be a "healthy" development. The only risk of it not taking place lies in the formation of a trust. To the prevention of this he would invite the very careful attention of the authorities.

Incidentally Dr. Kawatsu expresses the opinion that the development of the sugar output of the empire is worth while, if only to enable Japan to stand outside the Brussels convention of 1902. By doing so Japan secures a fine weapon against Java; which is bound by its provisions. Having said this much, he deprecates the use of the said weapon and reveals economic principles strictly in keeping with the objects of that agreement!

The figures quoted by Dr. Kawatsu with reference to the development of cane production in the Loochoo Islands show that the efforts of the "encouragement bureau" there have so far been attended only by slight and varying success. His notion that the reduction of the excise there completes the fostering process necessary is belied by the announcement that the Government proposes to continue the existing subsidy there, and to grant, from next year, a similar one in the Bonins. Sugar-cane production was introduced into these groups of islands from China, as it was into Formosa, nearly four hundred years ago. It was from these islands that the Japanese themselves obtained the first sugar they ever saw, in the latter part of the sixteenth century. Dr. Kawatsu judges the climate, rainfall, and soil (largely coral detritus) to be much more favourable than in Japan proper, the chief drawback being, as in Formosa, the damage done by typhoons. "Unfortunately," says the doctor, "the population is increasing fast, and that means more acreage required for sweet potatoes." In fact, between 1902 and 1906 the acreage under cane actually fell and that under potatoes rose. In the five islands of the "Oshima" group of the Loochoos the area under cane in 1910 was nearly three times what it was in 1872 ;

but on the other hand; under the Prince of Satsuma, who took the sugar industry of the islands under his control in 1829, and had every detail carried out precisely according to his orders and the whole output delivered to himself (on pain of hard labour on road repairs for disobedience to orders, but *death* for selling any of the produce), the output was 20 million kin of sugar, a figure only twice reached in the last ten years despite the assiduous assistance of Government on the most up-to-date and comprehensive lines.<sup>1</sup>

Both with regard to these groups of islands and to Formosa, Dr. Kawatsu goes into the climate, area under cane cultivation, and output per acre, in some detail; gives a sketch of sugar manufacture, of the sugar trade of the world, and of the Brussels convention; and repeats his optimistic calculations a great many times under different headings; but he can hardly be said to treat the commercial portion of his subject very critically, nor does he diverge, except, as above indicated, on the last page, from the single theme—Japan can and must produce all the sugar she wants; and be thoroughly independent of all the rest of the world in this respect. He also assumes that that is the sole aim of the Japanese Government, and that it is to the Government and it alone, that people must look in the matter. As a pamphlet upon one department of militant nationalism, the volume, except for diastrophic errors in several of the most important tables, leaves little to be desired: as an economic discussion of the sugar question in Japan the treatment suffers from lacunæ neither few nor small.

## II. POLITICAL AND COMMERCIAL ASPECTS.

Upon acquiring Formosa, the Japanese Government decided that among other things their new possession should supply them with all the sugar they wanted, and 16 years after taking possession they are within sight of achieving their aim, though it has involved increasing the island's output of sugar to  $3\frac{1}{2}$  times the

<sup>1</sup> The *Kobe Herald* published in August, 1911, a note on the introduction of capitalistic enterprise in these islands. The Okinawa Sugar Refining Co. has been floated with a capital of £200,000 (a quarter paid up), has bought land, and is building a railway. Profits of £1580 are reported to date. The fall in the price of brown sugar has made the natives ready sellers of their cane to the new mill.

largest quantity attained in recent years. It appears that a German expert, consulted at the outset of the undertaking, predicted that their utmost efforts would get the production up to half its present figure in the time indicated. Nor is it probable that Dr. Kawatsu exaggerates the credit due to the Government in the matter. The Chinese cultivators of Formosa, marketing their product through European merchants in touch with the whole world market, had doubtless done all that diligence and skill could do. To increase the output it was necessary to make it worth their while to put more land under cane, and to supply the means to use better cane, more and better fertilizers, to improve the water supply, and to buy expensive machinery from Europe and America. Sugar production on ordinary business lines was not profitable enough to enable them to do any of those things. The Japanese Government, and the Japanese consumer, have paid in hard cash what the industry left to itself could not do.

The Government had to do more. After 400 years of it, the Formosan Chinaman was not more enthusiastic about sugar cane growing than his relatives on the mainland are to-day. Dividing the total acreage under cane into the total output of sugar in Formosa, British India, and British Guiana, we get the following figures of output per acre: (i) 18.5 cwts., (ii) 15.3 cwts., (iii) 33.5 cwts. The sugar cane grown in Sindh, with the destiny of which I am familiar, was either consumed as a vegetable, the more profitable way, or crushed in utterly incompetent mills driven by oxen or camels. The British Guiana crop was reported to be suffering very severely from the ravages of insect pests. In his special report on the subject for 1908, Mr. Consul Wileman says that the cultivators were so slow to respond to the Government's desire for an increased output of cane that the Japanese *entrepreneurs* clamoured for their expropriation. The "arbitrary assistance of the police"<sup>1</sup> has overcome their objections, as is evidenced by the increased output. Each of the companies owning up-to-date mills (fifteen were doing active business in October, 1911) is assigned a district, within which all cultivators are bound under penalty to sell their cane to that company, while the company is bound to buy it all "at a reasonable price."

<sup>1</sup> Mr. Wileman's Report, page 5.

The subsidy of two shillings per thousand kin of cane cut goes to make the price still more reasonable for the mill owner.

The Formosan correspondent of the *Japan Chronicle*, writing in March, 1911, says—

“during the last few months I have come across many farmers who declare the price paid by the mills for sugar cane is such as not to cover the cost of labour involved in the production (£1 8s. to £2 2s. per 10,000 catties as compared with £2 16s. to £3 in 1909–10), while rice, potatoes, bananas, and, despite a destructive worm which infests the plantations, oranges all pay much better.”

In his report on Newchwang (S. Manchuria) for 1910, Mr. Consul Clennel says that the imports of sugar from South China (Amoy and Swatow) are falling off “because the cultivators there are finding it more profitable to grow oranges.” The special report on South China ports for 1907 published by the Foreign Office, observed that the sugar export of Swatow was suffering from the competitive prices quoted by the Java exporters. Two up-to-date sugar mills set up recently at Amoy are reported by the consul there to be a failure (1911). Quite contrarily, the report on Swatow for 1910 describes the output there as being, after a long period of severe depression, 30 per cent. above all previous records. The Chinkiang (junction of the Yangtsekiang and the Grand Canal) report (1911) shows Japanese, Javanese, and Swatow sugars increasing there at the expense of British (Hong-kong) and native sugars, “the Swatow article benefiting by the diversion of Philippine sugar to America, where it is now admitted duty free.”

The mere fact that he must sell to a monopolist mill naturally awakens in the Formosan cultivator's heart a desire to try his fortune with something else in the open market. These quotations leave it probable that his kinsman on the mainland, who is not compelled to sell to one purchaser, and can, therefore, presumably get a better price, is inclined to give up sugar; while the Chinese mill-owner on the mainland, who, unlike him of Formosa, must buy cane in the open market, cannot make it pay. The *Formosa Magazine*, to be quoted again later, says that the British refineries in Hong-kong have been unable to pay dividends for some years. The Newchwang report, already quoted, says: “Refined sugar

from Japan and Formosa enters Manchuria in large quantities; but chiefly *via* Dairen; every effort is made by the Japanese to compete with Hong-kong refined sugar by dumping on this market cheap sugar fostered by bounties." Whatever doubts these notes may awaken as to the economic soundness of its policy, the success of the Japanese Government in so greatly augmenting the sugar output of Formosa, becomes all the more remarkable.

Before attempting to estimate the extent of its efforts it should be observed that incidentally the native sugar-manufacturing industry by means of buffalo-driven mills, or small mills using improved appliances supplied by the Government, is being gradually extinguished. From 100 million kin at present it is expected to drop to not much more than half in the course of the next six years. The little mills are inefficient, and waste sugar (not to mention excise revenue), but as the work was done co-operatively as a supplementary industry by the farmers, their productiveness, or economic effectiveness, is reduced by the loss of it. The same argument applies to the concomitant destruction of the cottage industry in Japan proper and the Loochoo Islands.

From the point of view of the Government the profits made by the companies, except for income tax purposes, and to encourage others, is net loss; it must therefore first be noticed. Only two of the companies have a quotation in the columns of the *Japan Chronicle*, namely, the Toyo Seito, 35 per cent. paid up, last dividend 12 per cent., and the Ensuikei Seito, 20 per cent. paid up, last dividend 20 per cent. The former stood at 36.20 in October, 1910, and at 54.00 in October, 1911. The latter had no quotation in October, 1910, and stood at 58.50 in October, 1911.<sup>1</sup>

<sup>1</sup> From the (1) special consular report of February, 1909, the ordinary ones of (2) June, 1909, and (3) June, 1910, the (4) special sugar number of the *Formosa Magazine*,\* and (5) the eighth annual statistical report of the Formosa Temporary Sugar Bureau, † the following notes on these two concerns have been gleaned:

The Toyo Sugar Manufacturing Co. was established in 1907 with a capital of £500,000, half of which was paid up (?), 144,000 acres were assigned to it, of which 48,000 were suitable for, and 7200 actually under, cane. Crushing commenced in December, 1908. By that time 47 miles of railway were being worked with five locomotives and 300 waggons. A pumping plant for irrigation with a capacity of 30,000 gallons per hour was about to be set up. Between July 1, 1908, and June 30, 1909, the company was said to have earned profits amounting to £68,700. This company is in the exceptional position of having received no assistance from the

\* Taiwan-Satogo, published May, 1911.

† Published December, 1910.



In the days when the Government was endeavouring to induce capitalists to invest in sugar manufacture in Formosa, it granted a subsidy of 6 per cent. on the paid-up capital to several concerns for a period of years. In August, 1909, it was said that £4½ millions were invested in sugar mills in Formosa, but many more mills have been started since, and the Government is now regulating the number which may be started yearly,<sup>1</sup> but a temporary measure has forbidden the opening of any new mills in consequence of the over-production of sugar. The total amount given to the companies as subsidies down to May, 1911, was £86,619. In addition to this the estimated expenditure of the Government in bounties on cane and sugar production in 1910-11 was £288,896.<sup>2</sup> The statistical information is not homogeneous

Government except the general bounties enjoyed by the whole industry. Its output was 12,370,700 kin of sugar in 1909, 13,006,000 in 1910, 35,000,000, estimated, in 1911. Its employment of labour was 21,298 hand days in 1909, 30,744 in 1910, being 0·72 and 0·23 per 100 kin respectively for the lowest percentages recorded. It is one of the smallest of the Japanese companies.

The Ensui Sugar Manufacturing Co. was established in 1903, but reconstituted in 1907 with a capital of £500,000 of which £150,000 was paid up. Its land allotment is 96,000 acres, of which 48,000 are suitable for cane. It has received subsidies amounting to £35,942, part taking the form of machinery. It was reported to have made £82,800 profit in 1908-9. Its output of sugar was 17,724,900 kin in 1909, 27,607,700 in 1910, 65,000,000, estimated, in 1911; hand days 123,714 and 141,181, 0·69 and 0·51 per 100 kin respectively. This company is experimenting in the manufacture of refined sugar of No. 30 Dutch Standard, in Formosa, and hopes to put it on the market 50 per cent. below the price asked by the Japan refiners.

The biggest company is the Formosa Sugar Manufacturing Co., which was reorganized in 1907 with a capital of £1,000,000, of which £550,000 was paid up. Its land allotment was 177,600 acres, of which 12,856 were already suitable for cane. It laid down 90 miles of railway in 1908, purchased locomotives and rolling stock, as well as four steam engines for steam ploughing. The company brought in 400 Japanese immigrants to work on its plantations in the same year. The profit shown in its published balance-sheet for 1908-9 was £169,100, while the balance-sheet read to the shareholders on July 28, 1911, declared a profit of £302,159, of which £146,712 was to be distributed in dividend, being 12 per cent., while £60,000 was to be paid into the reserve for equalizing dividends. The combined output of its four mills was 54,669,900 kin in 1909, 88,039,200 in 1910, 150,000,000, estimated, for 1911; employment 245,806 and 291,034 hand days respectively. The percentage of hand days per 100 kin of sugar moved from 0·45 to 0·44, 0·43 to 0·32, 0·47 to 0·46, 0·43 to 0·30 in the four mills in the two years. It has received in six instalments subsidies amounting to £25,530. The company has a controlling interest in another concern called the Tainan Sugar Manufacturing Co., which has received £8514 in subsidies, is allotted 43,200 acres, showed profits of £51,040 in 1908-9 on its capital of £200,000, £76,250 paid up. The "Formosa" Company also owns improved native mills producing 8,400,200 kin of brown sugar. In these last the labour is 1·52 hand days per 100 kin.

<sup>1</sup> The total of mills to be allowed to be in operation is laid down as follows: 1910, 16; 1911, 22; 1912, 32; 1913, 36; 1914, 38; with a total crushing capacity in 1914 of 30,000 tons in the 24 hours.

<sup>2</sup> An interesting aspect of the enterprise about which a large amount of statistical information is available in the Government returns, is the concentration of Government assistance on special areas where scientific methods and high-class canes are

enough to justify any specific calculations, but, though the bounties and subsidies are important items, the concerns are making considerably more in profits than they are receiving in bounties. While the Government is giving a bounty of nearly 4s. per kin<sup>1</sup> of crude sugar sent to Japan for refinement, it is levying 6s. per 100 kin excise on all the sugar produced (4s. only on the brown). The Government's action in prohibiting the expansion of a profitable industry supports Dr. Kawatsu's theory that the Government's aim was to produce all the sugar wanted by Japan within the Empire, and imagined that Formosa would be content to produce the crude article for the refineries in Japan, already being carefully fostered, to refine! The notion savours more of romance than business, as the sequel is rapidly proving.

The sugar number of the *Formosa Magazine* already referred to (May, 1911) takes the opposite standpoint. It regards sugar production in Japan economically, not nationally and romantically. The industry is an expanding one: markets must be found. The Japanese market would expand far beyond 10 kin per head per annum if the excise were reduced. To compete successfully in China the cost of production must be lowered. This begins with the cane. Instead of looking to the Government to compel the cultivators on certain areas to supply cane to the respective mills, the mills should buy land and grow their own cane.<sup>2</sup> By using more machinery they will be able to lower the cost to the level of Java, where wages are lower. Much greater banking facilities might be given when such good security as sugar is available. Rum manufacture in Japan affords a promising market for part of their product, and, despite an import duty, some of it finds its way into Swatow for the manufacture of liquor when the sweet potato crop is poor. This business is not improved, however, by packing molasses in leaky kerosene boxes. Shippers do not like the practice!<sup>3</sup> Corean beetroot sugar (to

being tried. The Government has assisted the cultivators to buy fertilizers co-operatively. The amount so bought increased from 39,920 kwan (8.26 lbs. avoird.) in 1904 to 7,217,700 kwan in 1910.

<sup>1</sup> The highest bounty paid by France was 4s. 10½d. per cent. (84 kin) of refined sugar polarizing at 98–100 per cent., while Germany gave 1s. 9½d. for 99½–100 per cent. polarization (*Encyclopædia Britannica*).

<sup>2</sup> This appears to be the change that is taking place on a large scale in Java. See *Statesman's Year Book*.

<sup>3</sup> The writer does not mention the amount of the consumption of sugar in Japan

which may be added Manchurian beetroot sugar, the success of which was confidently expected by the British Consul at Dairen when reporting in 1910) is being heard of as a rival in the China market.

One contributor points out that Java sugar is quoted at 18s. per 100 kin on the quay in Japan. Dr. Kawatsu says it only costs 7s. to produce. It has then to pay an import duty of 6s. 3d. The Formosan article is quoted at 18s. It costs 11s. to produce, giving a profit of 7s., or £1,980,000 on sales in Japan alone.<sup>1</sup> It would be interesting to know whether any reliance can be placed upon this figure for the cost of production. The sugar bureau gives as the cost of production per 100 kin in Germany 11s. in model mills, 12s. 10d. in common mills; in Hawaii 8s. 3d., 9s. 6d.; and 9s. 10d. in different mills. The *Encyclopædia Britannica* talks vaguely of beet sugar costing 1d. per lb. to produce and cane a little less.

Dr. Kawatsu says that the high cost in Formosa is due to the scarcity of labour, Chinese immigration having ceased and Japanese immigrants being more profitably employed otherwise. The British Consular report for Formosa published in June, 1909, distributes the earnings as follows: when the staple article is quoted at 17s. 4½d. per picul (133½ lbs. avoirdupois), 6s. 1½d. of that is paid in excise, 1s. 0½d. for transport to the merchant's go-down, 4s. 8½d. is absorbed by the expense of milling, from 4s. 10½d. to 5s. 1½d. goes to the farmer for the cane, and 4¾d. to 7½d. remains as the miller's profit.

The third standpoint is that of the men in the business, who, as the contributor to the sugar number scornfully observes, "are quarrelling with the refiners in Japan proper, instead of attending to their own duties, to wit, reducing costs, and increasing their sales to China." How difficult the position has become may be gathered, both from the temporary prohibition against erecting new mills, and from the fact that a typhoon in September (1911), which damaged enough cane to reduce the estimated sugar output 27 per cent., was hailed as a boon because it would enable the

proper for loading silk handkerchiefs, though it has recently been large enough to attract the attention of the purchasers of those articles.

<sup>1</sup> The figures are hardly worth quoting, because the price fluctuates greatly and the Formosa consignment to Japan falls under several quite distinct categories.

Formosan producers to resist the refiners' demand for a lower quotation. As already indicated, the sugar refining industry of Japan proper has been one of the greatest successes of recent years. The energy, however, with which the development of sugar production has been pushed in Formosa, is claimed to have inflicted upon it no small injury. The export of refined sugar from Japan proper in 1906 was 843,498 piculs (100 kin) or £1,098,420, that of 1907 only 246,723 piculs or £259,166. It has been increasing again, but even in 1910 only reached 691,358 or £609,777.<sup>1</sup> The possible causes of this decline may be gathered from some extracts. The Yokohama Foreign Board of Trade, in its report on 1910, says—

“What the refineries previously suffered from the preferential treatment accorded to Formosan sugars is now matter of history. The disclosures of 1909 implicated not only Company Directors but members of Parliament; and a plea that irregularities were forced on them by the consequences of the preference showed how much a change was needed.”<sup>2</sup>

The Kobe consular report for 1909 says—

“Last February, without giving any official notice of its intention, the Government increased the already very heavy taxes on this commodity” (imported foreign sugar). And again, “Sugar refiners, being now practically dependent on imported foreign raw sugar, are at a considerable disadvantage in competing with the unrefined white sugar of the Formosan mills, which is treated with considerable leniency in the matter of the levy of the consumption tax<sup>3</sup> and is largely used in Japan, without undergoing any further refining process.”

The merchant's view was stated very strongly in the Yokohama Foreign Board of Trade report on 1908—

“Recent revelations give colour to the suspicion that care may not have been exercised by the authorities to enforce the payment in full

<sup>1</sup> The value of the export for the nine months ended September 30, 1911, was £600,810 compared with £384,748, the increase being due perhaps more to the necessity of getting the Java sugar refined in time to earn the rebate, than to development.

<sup>2</sup> The affair referred to is well known. The chairman of the Great Japan Sugar Refining Co., a man well known in Japanese Society, shot himself, and several members of Parliament were sent to prison.

<sup>3</sup> For the purpose of the tax it was treated as belonging to a lower class than similar sugar of Java origin. Dr. Kawatsu commends this as a reasonable way of encouraging the Formosan industry. It has been discontinued.

of the impost in Formosa and Japan proper. In the above circumstances business for the legitimate trader is virtually prohibited for the time, while lasting injury has been done to an industry, the development of which seemed to promise so favourably until late developments showed the unsound conditions under which the Japanese sugar refineries were being worked. Until Japan and Formosa are placed upon an equal footing in the matter of taxation and the taxes rigorously and impartially collected, it is to be feared that refining cannot be conducted on sound lines, and the prospects of legitimate transactions in imported sugar are rendered remote."

The Kolu consular report published in September, 1911, says—

"The special facilities offered to Formosa refineries have resulted, as might be expected, in heavy over-production, and large stocks are now being carried by these concerns. There are, moreover, indications of friction between the authorities and the refineries, and in many Japanese quarters it is confidently expected that the Government support hitherto accorded will be withdrawn."

Commenting beforehand on this prospect, the Yokohama Foreign Board of Trade said—

"Although much has been done to put the industry on a more stable footing, the root of the trouble lies in the subsidy system. There exists, on the one hand, a bounty-fed industry, and, on the other, an excise of over 100 per cent. on the product of that industry. When in remedying the grievance one trade section has against another, a Government resorts to compensating the loser on the adjustment by digging deeper into the national revenues, there may be a day of reckoning, unless the situation is handled with more than ordinary skill. The effect of a sudden withdrawal of such support can be better imagined than described."

The only indications of calm in these troubled waters consist of rumours of the Formosan interests buying up the refining concerns in Japan proper. One of the refining companies, the "Dai Nippon" (Great Japan) has a plantation in Formosa, but so far has only raised 5 million kin of crude sugar from it, while its refining capacity is 120 millions.

The figures indicate that the sugar production industry of Formosa and the refining industry of Japan proper are both of

them big and strong enough to survive these somewhat unhappy manipulations. Trade developments never being predictable, the calculations of the Government when it engaged upon its somewhat romantic enterprise have been upset by them, as all such calculations are. Sugar is a notoriously "speculative counter," and the fluctuations of the market, which are great,<sup>1</sup> have probably had as much to do with the troubles and the scandals as any Government action. The refiners are said to be selling in China at a loss at the present moment, looking to the home market behind the tariff wall to recoup them. Unfortunately, the Japanese demand has shown itself very sensitive to increase of price throughout. A fair general comment might be that Japanese industrial enterprise has hitherto looked for and depended upon a large measure of Government assistance. The Government does its best, but is not infallible. Capitalists are content to reap as much profit as may be from the exclusive national sentiment of the people which gives the Government the necessary support for its measures, but show no signs of forgoing commercial advantages in obedience to any sentiment. Nor would it be possible to conduct business if they did.

China's total imports in 1910 were: brown sugar, 1,592,694 cwts. (£751,155); white sugar, 1,154,043 cwts. (£733,143); refined sugar, 2,162,624 cwts. (£1,348,375), and candy, 203,172 cwts. (£172,745). The amount of every kind was less than in 1909, but in white, refined, and candy better than in 1908. The following is a summary of the information supplied by the latest available British consular reports for the various centres: Kiaochow, Hangchow, Chefoo, Canton, Nankin, Mengtsz, show a decreased import of foreign sugars. Kiukiang bought less from the British refineries in Hong-kong and more from Java. Tientsin bought less foreign but a great deal more native sugar. Shasi, Hankow, Wuchow, Kiungchow, Foochow, Chinkiang, and Shanghai showed increased imports. Japanese competition was specially remarked at Chinkiang, that of Formosan low grade sugars at Shanghai. The British consul at Newchwang, where there is a slight increase,

<sup>1</sup> The Formosan consular reports give £1 5s. 6d. to £1 7s. 7d. *c.i.f.* Yokohama as the general prices for centrifugalled sugars in 1909—though best grade raw sugar fetched £1 9s.—and 14s. as the average price of centrifugalled sugars sold to refiners in 1910.

distributes the import: 275,000 cwts. of it are native, 124,000 cwts. from the British refineries in Hong-kong, and 6000 cwts. Japanese. The import at Dalny (Dairen) has increased to 4266 tons, three-fourths of it being Japanese.

### III. SOCIOLOGICAL CONSIDERATIONS.

The 25th statistical report of the Department of Agriculture and Commerce, published in 1910, taking the prices of 1900 as 100, quotes for 1908: home white sugar at 138, foreign white sugar at 174, home brown sugar at 143, and foreign brown sugar at 147. More recent investigations indicate that the rise has continued. A writer this month alleged that sugar costing 2*d.* per lb. in London costs 4½*d.* in Japan. The present writer, as a humble retail buyer, is paying 5¾*d.* per lb. for 20 lb. packages of a sugar which appears to have almost exactly half the sweetening power of what he paid from 2*d.* to 3*d.* per lb. for in London in 1909. Nevertheless it is stated that sugar has been offered for sale in Formosa at a figure below the *f.o.b.* quotation for a similar Java sugar in London.

It has been argued recently by a number of Japanese writers that the prices paid in Japan, whether for home made or imported articles, have been rising several times as quickly as the prices secured by Japanese exports in foreign markets, and sugar has been one of the most conspicuous examples cited. The reason alleged is the practice of keeping a gold reserve in London for the purpose of paying the interest on the various foreign loans, national, municipal, and other, replenishing that reserve when necessary by further borrowing abroad, and issuing notes in Japan against that absentee reserve. This has produced an inflated currency and high prices in Japan, depressed exports and abundant imports. This factor in the price of sugar must be reckoned with in estimating the effects of taxation and bounty.

The special Formosa census of 1905 enumerated 460,930 households, 5737 being Japanese, 13,291 those of savages, 204 those of foreigners, the remainder Formosan Chinese. Dr. Kawatsu says the Japanese have not accepted work under the sugar millers, but the "Formosa" company seems to prove an exception to this statement. The employees of the refineries of Japan proper

which are threatened by the Formosan development numbered 1098 males and 103 females in 1908. The number of families affected by the decay of the cottage sugar milling industry is a very large one.

Had the Japanese tax-payer, instead of spending £3 millions on developing Formosa, spent it on encouraging cultivators to break up some of the large quantity of arable but untilled land in Japan; and let Java and Germany supply him with sugar as cheaply as they could, he would, no doubt, be better off now. While he has command of the sea his numerous subsidized steamers can bring him sugar from Java as readily as from Formosa. When he loses that command they cannot bring it to him from either. The population of the Hokkaido in 1903 was 843,717, or 9 per square kilometre, while that of the main island was 157, of Shikoku 174, and of Kiushiu 166 per square kilometre. The emigration to the Hokkaido in 1907 was 79,737, and from it 13,457. It was demonstrated in the Russian war that strategically it may be accounted part of the main island. Water transport from it requires no subsidy. In 1881 the Agricultural Encouragement Department of the Home Office commenced sugar manufacture in the Hokkaido from beetroot grown there with a French plant of a capacity of 247,500 lbs. of roots in 24 hours. It was a failure, 4 million kin of roots only yielding 759 kin of poor sugar. Three years later an expert from Germany was put in charge, but without result, and the mill was finally closed in 1895. In 1890 a company was floated for the purpose of making beet sugar in the Hokkaido, with a capital of £80,000 (£50,000 paid up). German machinery was bought, and the services of a German expert were retained at first. The mill was closed as a failure in 1901. Dr. Kawatsu gives no further detail, accepts the notion that beet sugar production requires greater skill than was available, and remarks that a quarter of an acre of beetroot in Germany gave on an average (1903-7 inclusive) 753 kin of sugar, while the same area of cane in Hawaii gave 1622 kin, and in Java 1653 kin. The agricultural record of the Hokkaido makes it perfectly certain that excellent beetroot can be produced there. It would be produced by the most stalwart, enterprising, and patriotic Japanese peasants (those who prefer the snows and bears of that island to the high



wages of California). It would secure a permanent sugar supply in time of war. It would relieve the congestion of hands on the little farms of Japan proper, which is one of the most serious features of the economic outlook.

Apart from the economic advisability of compelling the Formosan Chinaman to grow sugar cane; there is with some peoples and governments a traditional objection to treating peasants in that manner. Beyond offering special rates of land tax, special water facilities, and cash advances, the Government of India, for example; would not attempt to influence a cultivator to raise a particular crop, nor would it do this much except when offering new land for cultivation or upon the occasion of a regular periodic revision of the land tax. In the latter case the preferential rate of tax would be small, and the rate levied on crops other than those favoured would not be oppressive. No restriction would be laid upon the disposal of the produce. It might be worth the while of those who assume that this is the sound policy to consider the possible benefits to an ignorant peasantry of a spell of the compulsory *régime*.

J. C. PRINGLE.

## THE PROBLEM OF ALCOHOLISM.

IN a recent number of this *Review* <sup>1</sup> I gave a short account of the objects and methods of research as pursued by the Eugenics Laboratory at the present time. One reason why the publications of the laboratory sometimes fail to make as strong an impression as they should is that they are written in technical language. In the former article some explanation of the more important terms was given, and it will not be necessary to enter into this question again. But it may be as well to emphasize one point, since it is especially liable to be misunderstood. In the public mind one form of propaganda has become associated with the word "Eugenics." This is due to the activity of certain societies which attempt to put their views before the public as prominently as they can; and the result is that these views have become for most people synonymous with "Eugenics." Now, the Eugenics Laboratory under the control of Professor Karl Pearson is not committed to any one doctrine; and from this point of view Eugenics has been defined as "the study of agencies under social control, that may improve or impair the racial qualities of future generations, either physically or mentally."

The distinctive feature of the study thus defined is the use of modern statistical methods, such as were described in the article referred to above. The work of the Eugenics Laboratory is thus purely scientific; it attempts to use certain statistical methods to investigate a particular class of problem. Obviously, if those engaged in any form of scientific research were to commit themselves beforehand to the propaganda of certain views, there would be every reason to believe that they were merely collecting facts to prove their theory. Therefore it is most important that the public should understand that the work of the Eugenics

<sup>1</sup> *Economic Review*, January, 1911.

Laboratory is entirely unconnected with any form of propaganda. If in the laboratory any result is reached which appears to be founded on correct information and sound data, then it is published, without any regard to the question whether or not it favours the doctrines commonly associated with the word "Eugenics."

Last year a memoir on Alcoholism was issued by Miss Elderton and Professor Karl Pearson, and it gave rise to a violent controversy, in which many well-known people joined. Now that the controversy is over, it may be of interest to attempt to sum it all up. The temperance agitation has been so widespread that the views of the ordinary temperance reformer have become familiar to every one. He regards alcohol as a general scourge, and within limits no one will be likely to dispute that. But it has become almost an article of faith among temperance reformers that the children of alcoholic parents are injured owing to the alcoholic habit of their mother or father. It is not only meant that these children will suffer from a bad home and immoral environment, but that they will be physically inferior and mentally inferior in respect of what are technically called inborn characters. In other words, it has been asserted that alcoholism on the part of the parents will cause the children to be by nature inferior both physically and mentally. Only a few days ago in the East End of London, I passed a large placard put up by some Temperance Society. It warned parents against the evils of drinking, and to much of what was said no one would object. But it went on to say that it was a well-known fact that parents who drank generally had very inferior children, among whom many were feeble-minded. These statements do not rest upon any scientific research which is of value. And in addition to this absence of support from research, there has grown up among biologists in recent years a tendency to believe that such is never the result of a habit on the part of the parents.

An attempt was then made to investigate this important question in the Eugenics Laboratory, and to find out whether the children of alcoholics are significantly inferior to those of sober parents. For this purpose two sets of data were used, one of which came from Edinburgh, and was prepared by the Charity

Organization Society in that city; while the other came from Manchester and was due to Miss Dendy. They contained a large amount of information about a number of homes; and it was possible to find out from this material whether the children of parents reported as addicted to drink were or were not inferior to the offspring of sober parents. It may be remarked that it is generally admitted that these reports are of great accuracy and have been carried out by trained investigators. Professor Marshall, who has appeared as an opponent of the results deduced from the reports, allows the Edinburgh report to be of "marvellous excellence."

The results reached in the memoir contradict the view that the children of alcoholics are inferior as far as inborn characters are concerned. And this was all that the investigation undertook to examine. It did not include in its scope the question of the inheritance of the alcoholic tendency, nor did it inquire into the injuries and disadvantages that a child might receive owing to the unsatisfactory home provided by alcoholic parents. It was dealing with one point alone, and that was, as already said, simply the problem of the inheritance of physical and mental characters among these children.

To go into the results in more detail, there were five important points which the memoir appeared to prove. (1) There is a higher death rate among the offspring of alcoholics, but it is only a slight difference, and, further, the death rate is higher when, in cases where only one parent drinks, it is the mother and not the father. This higher death rate seems to be quite satisfactorily explained by the fact that in the wretched and immoral homes of alcoholics accidents are far more frequent, and in general far less care is taken than in the homes of sober parents. This conclusion is supported by the fact above noticed that the death rate is higher when the mother is alcoholic. There would clearly be more neglect when the mother was alcoholic than when the father alone was, and therefore more accidents would result. (2) The mean height and weight of alcoholics are slightly less than those of sober parents, but the difference is so slight as to be practically of no significance. (3) The general health of the children of alcoholics is slightly better than that of those of sober parents. (4) Alcoholism is not the

source of mental defect. (5) There is no relation between alcoholism and intelligence.

Such were the results which aroused so violent a controversy ; it extended so far and found its way into so many newspapers that there can be few people who failed to catch any echo of it. It may, perhaps, be as well to repeat that these conclusions were not as novel and "startling" as was generally supposed. To biologists (and it is largely a biological question) such results were, perhaps, what would have been nearly everywhere expected. If we now turn to the main lines of criticism, we shall see that on the whole no serious defect has been discovered in the memoir. No one disputes the validity of the statistical processes employed ; it is possible to question the material upon which the whole work is based, and also the conclusions to be drawn from the application of statistical methods.

Possibly the most interesting criticisms deal with the material. Professor Marshall and Mr. Keynes brought forward the following objection. The alcoholics who are included in the two reports do not really belong to the class in which they are here included. They have been reduced to a lower level of society owing to their alcoholic habit. In reality they belong to a stronger type which would earn higher wages and rise above this low class were it not for this habit. We know that owing to heredity the better type tends to have children of a better type. Therefore the children of the alcoholics, if alcoholism has no effect on the children, should be stronger than the children of the sober parents of a lower type with whom they are in the memoir compared. The fact that the memoir shows the children of alcoholics to be of equal physique to those of the sober parents really proves that they are not as strong, intelligent, and so forth, as they should be. So far the objection, which, if true, would be a serious one. It all rests on the assumption that the alcoholic parents belong to a higher type, which has sunk to a lower social condition because of its habits. But there is no proof or evidence of this whatsoever. It is not possible to show that the temperate and intemperate sections are in any way differentiated. It is impossible to show that the alcoholic parents follow different trades or are in any way differentiated from the sober parents. If what was above

suggested was true, then certainly it would be possible to observe some signs of it in the careful and detailed reports. It would be evident that many of the drinkers, who were reduced thereby to a low grade of work, received high wages for their strength. Nor; again, does the population as a whole follow low grades of work. All kinds of trades are represented, and the population seems to be an average one of a non-manufacturing town. The population with which the memoir deals was divided according to the wages received into three groups—high, medium, and low wages. Drinkers are found fairly equally in every class and in every trade. Certainly any objection made to the results reached in the memoir and based upon this ground should be supported by some evidence. But the objection has been made without producing any evidence to support it, and until such evidence is forthcoming, it would be unfair to suppose that the results of the memoir were invalid upon these grounds.

A second important criticism brought against the memoir was that there was no proof that the parents were alcoholic before the conception of the children. If this were so, it is clear that alcoholism could have no direct effect, and it might account for the fact that the children of alcoholics were not found to be inferior to the children of the sober. Now, it is true that the material does not give the exact date at which the parents took to drink. But it can be indirectly shown that the parents could not have taken to drink after the conception of their children in the following way. In a family the younger children bear a fairly constant ratio to the older children; thus, if you take the children from four to six years old and compare their number with the number of those who are ten to twelve years old, it will be evident that a certain constant ratio can be calculated. Now, if this is found for the sober families, then a little consideration will show that, if alcoholic parents have only taken to alcoholism after the conception of their children, then the ratio of younger to older children will not be the same as for the families of sober parents. In this case the younger children should not be so numerous comparatively as in the families of sober parents. When this calculation is made, it is actually found that the younger children show a slightly larger proportion in the families of alcoholic to

what they do in the families of sober parents. This would seem to show conclusively that this second objection falls to the ground.

Sir Victor Horsley and Miss Sturge criticized the memoir at length in the *British Medical Journal*, and raised a large number of points with all of which it is not possible to deal. Objection was made to the use of the term "alcoholism;" any one can, of course, define such a term more or less as he pleases. But in the Edinburgh Report the alcoholic families are those who in a greater or less degree suffered in health, diet, and morals owing to the drinking habit; and since the investigation was carried out, and the report drawn up by trained social workers, it is not clear how the definition could be much improved, or how it could affect the conclusions reached. A further point in the paper of these two critics is that it has not been explained why the death rate among the children of alcoholics is higher. Sir Victor Horsley is clearly inclined to attribute it to the natural weakness of the children due to the toxic influence of alcohol. But surely it must be true that to some extent at least this higher death rate is due to accidents or to carelessness. It has been found that there is a pronounced connexion between the use of a "dummy teat" and infantile mortality; and in a home of alcoholic parents would not children be more often pacified by such means, and would they not be more often generally neglected in such a manner as to cause a higher mortality? It seems obvious that such must be the case, and, if it is so, then there can be very little room left for the toxic influence of alcohol, since the difference in the death rates of sober and alcoholic families is not so very large. It has been already remarked that this conclusion fits in with the observation that the death rate is higher when the mother is alcoholic than when the father drinks; for neglect on the part of the mother would be likely to harm the children more than that of the father. This conclusion also fits in with the fact that the general health of the children of alcoholic parents is better than that of the children of sober parents; for this seems to be partly due to the death of the weaker children in the families of alcoholic parents who survive in the sober families. It is probably also to some extent due to the fact that the alcoholic parents belong originally to a stronger stock.

In conclusion reference must be made to one statement of Sir Victor Horsley and Miss Sturge. They say that the opinion of the authors of the memoir is that "alcoholism causes no appreciable detriment to the drunkard or his children." Unfortunately many people seem to have come to think that is the result of the investigation. But no such statement has ever been made by either of the authors of the memoir, nor do their results imply it. Let us consider once more what the scope of the inquiry was; certain characters of all offspring are known to be inherited and are not due to the environment; an attempt was made in this investigation to discover whether these inherited characters in the children of alcoholic parents were or were not inferior to those of sober parents of similar stock. The results apparently show that the alcoholism of the parents does not have an injurious effect upon these characters; it is necessary to remember that the problem of the inheritance of the alcoholic tendency was stated in the memoir to be outside its scope. Now, is this result equivalent to the statement "that alcoholism causes no appreciable detriment to the drunkard or his children"? Why is there any less reason than before to think that alcoholism brings misery to the individual, and immoral and degrading surroundings to the home? What, then, is the practical result of the inquiry? It is that alcoholism is rather a product than a cause of degeneracy. If we wish to strike at the root of the evil, we shall have to eradicate the degenerate stock; the prohibition of alcohol is no cure.

A. M. CARR-SAUNDERS.



## THE STORY OF A CHILDREN'S CARE COMMITTEE.

THE Children's (School) Care Committee, whose work this essay proposes to describe, has a trustworthy record of administration extending over three years. The principles of investigation and treatment were as follows :—

- (1) The functions of various State departments should not be confused, but should be differentiated and defined with all possible accuracy.<sup>1</sup>
- (2) If it be necessary to give relief to the children, the parents, who are primarily responsible for the well-being of their offspring, should have as much opportunity as possible both of interference and control over all assistance which is offered to them.
- (3) The nature of relief provided should not be superior to that which the parents, when in employment, could provide by their own unaided exertions, according to the standard of life prevailing in the district.

The Committee set about its work with this policy as an ideal. In many ways, however, the adaptation of these principles to the administrative machinery for the provision of relief to school children partook of the nature of a compromise. The Education (Provision of Meals) Act, 1906, was so framed that the school was necessarily the relief centre, and the teachers were, by their constant opportunity of contact with the children, in the first instance the relieving officers. Moreover the teacher was required by the regulations of the Education Committee to distribute daily the tickets for the children's meals. The Care Committee, however, was enabled to limit the operations of the school officials ; for all investigations were carried out by the committee's secretary, and the teachers were consulted with regard to any observations

<sup>1</sup> Cf. *Report of Poor Law Commission*, Part IV. Ch. 8, §§ 439-440.

which occurred to them on the condition of those children who were on the necessitous list. The parents of these children were interrogated as to their means and prospects in an office outside the school premises ; home visits were paid, and definite attempts were made to discover the cause of the destitution of the family ; plans towards economic independence were formulated and carried out. And this work was performed in a spirit and by methods which removed the operations entirely from the patronage of the school.

The meals took the form of breakfast between 8.15 and 8.45 a.m. on the five school days during the week, and consisted of an unvaried diet of porridge and milk, or in a few cases of bread and milk ; these were provided, not in a school hall or classroom, but in a parish room in the district. This food was distributed at such an hour and was of such a character as to constitute in itself a definite test of need. And this food " test " was relied upon as a first and last resort to furnish evidence as to the necessity of the family. This policy has restricted the number considerably. The percentage of children fed is far below that of any group of schools of the same social standing, and is less than one half of that of the schools of the district. The percentage of children fed during last season was as follows:—

	This group of schools.		The schools of the district.	
December, 1910	..	2.9		6.6
February, 1911	..	3.5		7.8
March, 1911 ..	..	3.7		8.6
July, 1911 ..	..	2.3		4.7

At the same time the plain food has not been a deterrent to the really hungry child ; but the provision of a meal of this character has made the parent feel his own need acutely before he has allowed his child to come upon the rates. " I can give them better at home than what you gives them," comes from one mother, and that is just the answer to the question which confronts the committee. Another applicant declares that " It ain't worth while to tell lies about a bit of porridge," and then again emerges the truth, which is reached automatically through the withdrawal of the temptation to lie.

All evidence, consequently, was in the first instance superficial,

and, unless the parents' applications for food were unduly frequent or continuous, the statements of income and expenditure were accepted without verification. Neither could there be any great enthusiasm for a high standard of investigation for the purpose, since, whatever the character of the parent or guardian, the necessitous child must be provided with food. Moreover the recovery of the cost of the meals from those primarily responsible for the child's well-being, enjoined by the Act, was soon shown to be illusory : <sup>1</sup> for evidence of means or of wasteful expenditure (such as drink or gambling), which would satisfy any committee of skilled social workers, would gain no redress from a magistrate on behalf of a public body ; and prosecutions for neglect or cruelty require, and perhaps rightly, for their success, statements so precise and definite that only a detective employed for each suspected family could hope in the vast majority of cases to be successful.

These are the failures in political theory and social practice inherent in the Act and its administration ; but certain deductions may be drawn from the story of its administration in the spirit and by the methods detailed above ; neither are these results unimportant as descriptive of the attitude of the poor towards this form of public assistance and the causes which lead them to become applicants for relief.

The number of necessitous families investigated was 224. The necessity of the child was first observed by the teacher in 159 cases, who at once gave an " urgency " ticket for meals. The others were reported by district visitors, members of the Charity Organization Society, and other social workers ; in all cases the child was fed at once. The parent was then summoned to attend and show cause why he could not feed his own child. In 90 per cent. of the cases the application for relief was made by the mother ; and the committee acted in the first instance entirely upon her statement of the home circumstances ; her story was only checked by a

<sup>1</sup> The London County Council were ludicrously at fault in this matter. The differences between the estimate accruing from recovery of cost and that actually received was as follows :—

1909-1910.—Estimate, £1000.

Amount recovered, 1s. 10d.

1910-1911.—Estimate, £20.

Amount recovered, £4 14s. 8½d.

knowledge of the wages obtainable for various classes of work in the district.

This system of diagnosis concerning the adequate nutrition of the child is untrustworthy. So many causes besides underfeeding can be adduced for the child's incapacity to do his school work ; want of sleep, late hours, overcrowding, nervous strain of all kinds are sufficient reasons. When the child is interrogated by the teacher concerning the meals he has had at home he will often give the answer the teacher suggests. " Bread and tea " is not breakfast, as the child uses the term, much less is it dinner. In one case a boy who looked ill and miserable asserted that his father would not allow him to go to meals even though he was hungry, and his father declared in contradiction that he had enough to eat at home, and was willing to testify to that effect before a magistrate. The teacher believed the boy to be starving, but agreed to wait till the boy was examined in the routine of medical inspection. The doctor placed him in the class of Nutrition, " good."

Neither are the medical officers better able to discover instances of underfeeding. In a neighbouring school 50 per cent. of the children were receiving free meals ; the medical officer was ordered to make a special investigation, and in only one case did he record his opinion that *all* the members of any family were underfed. In this instance it was discovered on investigation that the income was unusually high for the district, that there was a comfortable home and no lack of food. The food provided at home was unsuitable, for both parents were at work, and no application had been made by the parents for school meals. The story that a care committee of one school was providing meals for a boy whose brother at another school was being treated by the doctor for overfeeding may be an exaggeration ; but it is significant of what may and does happen in the present state of ignorance and confusion.

Visitors in the homes of the people have a better opportunity of observation concerning the child's necessities ; but they cannot be always in the presence of the family, and appearances of poverty are very deceitful. No one except the mother knows how much or how little food her child has had on any particular day ; and there remains only one rational method of dealing with this preliminary

question of necessity. The system of "urgency" meals provided by the teacher after his observation of a child's supposed necessity should be abolished, and no scholar should be fed until the parent has signed a declaration that he is unable to support his own child.

The result of the interview in cases where the meals were demanded was invariably the same. In many cases the kind of occupation was of so casual a nature that there could be no certain statement of the family income; the amount of the wages varied not only weekly but daily. Neither did the wife know her husband's earnings for any particular week or day. Acting on the statements of the applicant it was impossible either to refuse the offer of one meal a day to the child or to attempt to recover the cost of the meal.

Verification or correction of the information was obtained from certain collateral sources. The District Committee of the Charity Organization Society furnished the most trustworthy information; the Local Distress Committee co-operated, and in fourteen cases references to employers were produced by the applicants; the clergy and visitors of the surrounding parishes helped the Care Committee in various ways, and the Committee for the Registration of Assistance acted as a clearing house for the suppression of overlapping. In 189 cases the "father" assumed the responsibility of the provision of food for his family; and in one case the grandfather was the child's guardian. The following were the trades professed by the applicants:—

Boot trade, 3	Painter, 1
Bricklayers, 2	Lighterman, 1
Shop, fish, 1	Waiter, 1
Shop, paper, 1	Fishporter, 1
Hawker, 1	Furrier, 1
Packer, 1	Umbrella maker, 1
Bookbinder, 1	

These sixteen may be described as in skilled trades, or in work which might have some chance of permanency. The rest, no less than 173, wrote themselves down as "labourers" ("builders", "waterside or dock," "carmen," or "anything." The district is close to the docks, and the staple yearly occupation of many of

the men seems to be six spells of work of three weeks at the "wool" sales.

In 34 cases the mother, and in one case the grandmother, was the wage-earner.

Of these :

1 was a tailoress	1 was a shop girl <sup>1</sup> / <sub>4</sub>
1 did needlework	1 made umbrellas
1 kept a shop	1 was a mantlemaker
2 sold flowers	and 27 did "charing."

This last class includes inferior casual and domestic work, washing, and, in the case of one exceptional woman, office cleaning. Two women had no work, but were prepared and expected to find an analogous form of occupation; they expressed themselves ready to do "anything."

In both these tables the outstanding and significant feature is, as might be expected, the enormous proportion of unskilled work. No less than 91 per cent. of the men and 77 per cent. of the women were unable to claim any distinct calling which could enable them to claim from the community recognition for themselves and their families. And the manifest eagerness, startling and clear, with which they were prepared to embrace any offer of work other than that which they had described as their "trade" was pathetic in the extreme.

It is, however, encouraging that the man who is in really skilled work does not fall to this level of pauperism. Thus the record of the mean trades of the parents and of an industrial outlook utterly narrow and hopeless in its lack of either permanence or vocation may be considered with some truth a real cause of the necessity of the child.

The failure, however, of this wretched menage was accounted for by other immediate reasons stated by the applicants; these may be classified in the first instance as follows :—

Under-employment and casual work	..	..	..	136
Invalidity	..	..	..	52
Widowhood	..	..	..	22
Desertion	..	..	..	14

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<sup>1</sup> A shop girl's trade is not skilled, but is fairly regular, and is a recognized occupation. It consists of taking tailoring goods backwards and forwards from the shop to the workrooms.

And side by side should be placed the question of industrial character and efficiency.

The record obtainable under this head throws further light on the reasons for the destitution of the family. Trustworthy evidence was forthcoming in 113 cases. Fifty-four applicants were of good report and fifty-nine the reverse. The characters which bore inspection ranged from "very good" to "fair," and the others included three thieves and all degrees of vice and instability to one case where the father was stigmatized as "careless." In fourteen cases the loss of employment could be directly traced to bad habits; the chief causes seem to have been drink and laziness. Proof of drink was established in twenty-four instances of the number whose character was investigated. This represents 20 per cent., an extremely high proportion considering the great difficulty of the collection of evidence of this nature.

Practically no intelligent forethought was shown by the applicants, neither had any provision been made for the loss of wages consequent on the sickness of the breadwinner; in only two cases had a subscription been paid at some period of married life to an accredited benefit society. Two per cent. described themselves as in a local sharing-out club, while almost 75 per cent. of all the members of every family were or had been holders of policies in the various life assurance companies. Thus there was no reserve of resources, and a short period of sickness or any accident at once brought the family to the verge of destitution.

So also the death of the breadwinner often compelled the family, if there were many young children, to have recourse to charity or to the rates. During the early period of her bereavement the widow is an object of pity among the poor; "friendly leads" are organized by friends of the deceased and are freely patronized, and the money received for the life insurance is usually a substantial amount. The magnitude of wealth which it represents dazzles and confuses all the simple ideas of domestic management which the new head of the household possesses. Funeral expenses are heavy, for the opinion of the street and its expectation of a pageant must be considered. The money available soon dwindles, and destitution supervenes before the widow has attempted to find work or to accommodate herself to the change in her circumstances and life.

The case of the deserted wife is a difficult problem to the social worker ; a satisfactory definition of desertion which may act as a guide to philanthropic treatment is probably unattainable. The time limit imposed by law is obviously impossible ; and it is at once evident that there are many factors involved besides mere separation of the parties concerned. The man may have definitely gone beyond his narrow environment in order to look for work ; " temporary loss of memory " of the locality in which his home was situated was alleged by one man who was lost for three months ; and his excuse for absence was believed by his wife. The desertion may be with the wife's connivance, and the man is perhaps lodging in a " doss house " in the next street ; the awful nagging temper of the woman may have driven her husband away ; or his cruelty and drunkenness may be such that a respectable and hard-working wife is more prosperous without his presence and the pittance which he allows her. Prison cases have been classified under this heading ; for it is too evident that a parent's desertion is in almost all cases direct evidence of a social offence against his child. The full significance and motive of the step which the man has taken lies deep in the story of the marriage whose shipwreck is now proclaimed to the world. No two cases are alike, except that the tragic fact remains that at one time all these couples professed some sort of affection for one another ; and the duty of the support of the offspring born of their union is incumbent during the period of separation upon the man no less than on his wife.

The above are the immediate causes of destitution ; various remote or ulterior reasons have also forced themselves into prominence. The necessities of the offspring suggest consideration of the attitude of the parent towards the responsibility for their existence ; and certain statistics towards the elucidation of this attitude are of interest.

No certificate of marriage has been required from the applicants ; and the date of their union, which is therefore a matter of conjecture, has been calculated as one year before the birth of their first child. The figures given below may be accepted as fairly accurate. Information is at hand concerning 211 families.



In 66 marriages both parents were over 23  
 In 17 marriages one parent was over 23 <sup>1</sup>  
 In 14 marriages both parents were under 23 and over 22  
 In 19 marriages one parent was under 23 and over 22  
 In 18 marriages both parents were under 22 and over 21  
 In 15 marriages one parent was under 22 and over 21  
 In 12 marriages both parents were under 21 and over 20  
 In 8 marriages one parent was under 21 and over 20  
 In 22 marriages both parents were under 20  
 In 20 marriages one parent was under 20

Now concerning an early marriage, its definition and advisability may be a vexed question; opinions differ, and differ strongly, on this subject; but it is certainly startling that 31 per cent. of these inefficient unions took place before both parties were 23 years of age, and that in 43 per cent. of these cases one parent was less than 22. The causes which lead to these improvident beginnings of a pauper family are probably manifold; the intelligent social worker can enumerate them as a result of his experience without any excess of imaginative effort. But their correlation and their several force has not yet been sufficiently described, nor has their importance been made clear; and there is probably no more fruitful field of investigation than the arrangement of these factors in due proportion, nor one which will bring the observer more closely into touch with the problems of the poor and their solution. This fact at any rate stands out clearly: these statistics in conjunction with the total absence of thrift to which I have alluded may safely be considered a first false step on the road towards economic dependence.

Once more the poverty of the children suggests the consideration of the number of persons among whom the wealth available may be distributed. The figures relative to the size of the families of the applicants are as follows:—

1	applicant	had	10	children	living	at	the	time	of	application.
4	applicants	had	9							
7			8							
18			7							
19			6							
50			5							
43			4							
39			3							
28			2							
15			1							

This, of course, cannot be regarded as the computation of the total number of children in these 224 marriages; there is no

<sup>1</sup> The age of one parent only could be ascertained.

record of the number who had died before the date of application ; and the mortality of children in our district under one year is 118 per 1000. Neither is it possible to compute the number which the family might reach as time elapses. The decline in the size of the average family is a matter of serious perturbation to statesmen and moralists ; but the fact that 63 per cent. of these parents who cannot support the children whom they bring into the world have at least four children and over (leaving out, of course, any others they may have) raises considerations of another order no less grave and no less far-reaching.

Neither is number of children the worst feature of this failure of family life. Among records of the Committee are eight families who have been in receipt of this relief for their children for two years ; the average number in each family is nine. During this time in two cases there have been two more children, and in three cases one more child. As the young man, who was also the breadwinner, welcomed the new addition to his father's family with the words, " Another one for me to keep," so the rate-payers may exclaim against this constant increase of children which the parents are unable to support. For it appears that the poverty in which the applicants are involved in no wise deters them from adding to the number of their dependents ; and again it must be said that as they have married without preparation or forethought, so they have begotten children without restraint or self-control.

So far the investigation : the treatment, which has now to be described, has its methods and its results varied with every individual case. The applications for meals came through teachers and social workers ; thus *prima facie* evidence of need was established, and meals were offered in the first instance to every child whose parents applied for them. In the phrase adopted as a hall-mark by a famous philanthropic agency, " No destitute child was ever refused."

The Committee deals with a district comprising some 2300 elementary school children ; they are drawn from the provided schools and are, on the average, the poorest section of our community. The number in receipt of relief follows the course of other forms of

pauperism and of organized charitable assistance ; that is to say, it reached its lowest point in the summer and its highest in the early spring. The numbers vary from 90 per day, or 4 per cent. in March, 1911, to 50 per day, or 2 per cent. in July. Out of the 224 families under review, the children from fifteen have been fed continuously for periods varying from 3 years to 12 months ; these, without any stretch of imagination, can be placed in the category of chronic paupers ; the children from fifteen other families have been fed at intervals during a period of twelve months and over, and may be said to correspond to the "ins and outs" of the workhouse.

No other form of relief was offered by the Committee to the children. Articles of dress, boots and clothes were never distributed, neither has the family's house rent been paid. The Committee has two reasons for this course. If the family were "helpable," other agencies were at hand which already carried out efficiently this department of social effort, and the relief would be given to the parents in money, in order that they should buy what was necessary for the children ; also it was felt that it was sufficiently harmful that the children should be educated in the expectation of free meals through the agency of their school, without an additional demand for all other things that pertain to the child's existence.

Provision of meals is of the nature of outdoor relief, and therefore many committees overlap with the Poor Law Guardians. But the difficulty has not arisen in this district ; for the Guardians limit their assistance to institutional treatment. Thus the spheres of work are entirely distinct and, beyond the method of assistance detailed above, no co-operation is attempted by either body. The Committee of the Charity Organization Society has helped certain families where the children were receiving meals, but although this opens the question of principle of the co-operation of voluntary and rate-aided assistance, the number of instances are insufficient to establish a precedent either way.

The Committee's action, however, did not stop with the provision of relief to the children. An attempt has invariably been made to discover the causes of distress and to apply some appropriate remedy. Every case had certain distinctive features ; but

methods of treatment followed roughly the four categories of economic disease mentioned above :—unemployment, invalidity, widowhood and desertion.

The Committee were able to suggest three courses to those applicants who said they were unemployed ; the family might emigrate and start a new life in a British colony ; work might be provided for the man by the Distress Committee under the Unemployed Act, or he might take advantage of the relief offered through the modified workhouse test by the local Committee of the Charity Organization Society.

It was not long before experience indicated which of these plans it was possible to recommend to any individual applicant ; and our interrogations acted as a kind of sieve for those agencies. The difficulties of emigration as presented to the class of worker with whom the Committee had to deal may be described as almost insurmountable. The Committee relied entirely upon the advice and assistance of the East End Emigration Fund and the Local Distress Committee. Often if the man was willing to leave England, the woman was not ; the family must be of the exact age, size and fitness, both in mind and body ; and the money for his journey, which the applicant did not possess, must be raised from somewhere—either from the State or charity. The character of the would-be colonist must reach a high level, and some trade or previous experience of the colonies is most desirable. And of the countries available, Canada is becoming every year more suspicious of her new settlers, and the expense of emigration to Australia is enormous. Only three of our cases in three years have left this country, and one of them was sent abroad by the direct help of the Committee ; and concerning this last certain unsatisfactory features have since come to light. It is hardly within the scope of this paper to criticize the whole emigration movement, but it is evident that the policy of planting the burden of the unfit and degenerate of a great city upon a new country will not lightly be tolerated by its first inhabitants ; and who can say that Canada's present attitude of exclusion is wrong ?

The Distress Committee is a body formed under the Unemployed Workmen Act ; it has various methods of providing assistance in the shape of work to the breadwinner of destitute families. If the

man is sent to a labour colony he is allowed his own board and lodging and 6*d.* a week pocket-money, and his wife receives 10*s.* for herself and 2*s.* 6*d.* for the first child and 1*s.* each for each of the other children to a maximum of 17*s.* If he is employed in local improvements, such as an open-air swimming bath, or improvement of open spaces, he receives 6*d.* an hour for an eight-hour day, doing five days a week. This is an average of £1 a week ; he does not work in cold or wet weather. No period of employment may last more than sixteen weeks. The register opens at the beginning of November and closes at the end of March. Women are assisted by work, chiefly sewing, being provided in workrooms, and the pay is the same scale as colony work, with the addition of dinner in the middle of the day. Exhaustive inquiries are made, and a very full case sheet is filled up. The statements of the applicants are carefully verified, and references to the employers are required and always taken up. The classification of the records thus obtained is most exhaustive. There are four main divisions : Preference, with three sub-headings ; Suitable for assistance, with three sub-headings ; Unsuitable for assistance, with ten sub-headings ; and Application withdrawn, with three sub-headings. Neither skill nor enthusiasm are wanting in this attempt to make the diagnosis thorough and the help given of real assistance to those who are discovered to be genuine cases.

Of our own applicants 55 men and 1 woman were placed on the books of the Distress Committee. Of these, 31 cases were given work, one was emigrated, another was offered facilities to emigrate, and twenty were not assisted ; the woman found work for herself before her case was decided. In all cases where work was given it is gratifying to note that the children were immediately withdrawn by the parents from the feeding list.

Now the wisdom of the policy of the Unemployed Workmen Act has been rightly called in question ; the objections are known and realized by every intelligent social worker. From the ambitious point of view of our Committee, which comprises plans towards the ultimate economic stability of the family, the result is disappointing. Doles of work are as evil in their effects as doles of money. Applications are repeated from one season to another, and the State has become to the applicants just one casual employer

among many; the venture is not expected to be commercially sound; and the temptation to laziness must always be strong where there is any suspicion that a man has a right to the work which is offered him. Expectations are then aroused which can be fulfilled in few cases, and no permanent benefit, except in the matter of assisted emigration, accrues to the applicant. This description, however, is slightly inaccurate, as all generalizations of the kind must be. In some few cases the breadwinner is really tided over, and recovers the permanent employment he has lost; and any one who has visited Hollesley Bay will agree that the regular life and excellent discipline constitute an excellent convalescent home.

There remains the offer of the local committee of the Charity Organization Society. The terms of this "modified workhouse test" of the Society are as follows:—

If the father will go into the workhouse for a week, the necessitous family will receive sufficient relief during that time and a further allowance for the next week while the man is seeking employment. If the family is still destitute, the process is repeated for a fortnight in each case. The committee reconsider the man's prospects at the term of each period of the allowance. Experience now lasting over thirty-five years has shown that the men have, in almost all cases, thus been enabled to find work for themselves, or that the family has recovered its independence, without resorting permanently to the workhouse. This proposal to an unemployed person is an acknowledged temporary expedient, but it touches the lowest class and can be said to be within the reach of all but those who are definitely vicious and whose homes are below any standard of morality or order. Twenty of our applicants have been offered this form of assistance by the Society, and in twelve cases was this offer accepted; it is a definite test of destitution or of positive lack of any kind of resources; for the man generally refuses to apply and prefers that his family should subsist on an insufficient income while he keeps his sense of freedom and some opportunity of finding some form of regular and permanent employment. In two cases did the Charity Organization Society Committee refuse on the ground that the home were better broken up.

Invalidity of the breadwinner is a frequent cause of the children's necessity. None of the applicants who were sick were in a benefit society, and the only offer of adequate relief was an offer of a regular allowance through the Charity Organization Society if the father went into the workhouse infirmary. This was refused in the majority of cases. Often the man recovered and became able to resume his employment and the children were taken off the breakfast list without further consultation with the Committee.

Widowhood is in most cases a permanent factor and reason for the continued poverty of a family. The remedy must be of an equally permanent character. The Committee felt that no woman who was without a highly skilled and remunerative trade could support more than two children. Again an offer of adequate assistance was made if the mother would allow certain of the children to be sent to the workhouse schools, where they would be educated and clothed by the parish; this was refused in all cases, and the Committee was unable to propose any other scheme which could be of real benefit to the family.

Deserted wives were not treated as widows. As was hinted above, the cause and motives for desertion differ so considerably that it is difficult to lay down a general rule of action; it appeared the wisest course to make no attempt to find the elusive husband, but to trust to other agencies whose duty it was to see that justice was done in this matter. The first requisite for compulsion on the man to fulfil his obligations is the application by the wife for maintenance out of the rates. No outdoor relief is usually given by any Board of Guardians under circumstances of this nature, so this advice was tantamount to an offer of the workhouse to the family. This course the woman always refused to adopt; so an *impasse* analogous to those created by the refusal of the other forms of treatment was reached; in every case the meals were continued as long as the parent applied or the teacher signified that the children needed food.

These are the means and methods of "moral suasion." The law, as expressed by the Children Act, was used to reinforce the decisions of the Committee.<sup>1</sup>

<sup>1</sup> The section of the Children Act under which proceedings were taken, runs as follows:

Proceedings for cruelty and neglect were taken in three cases by the National Society for the Prevention of Cruelty to Children ; three heads of families were successfully prosecuted and three children were sent to residential homes. The difficulties and encouragements of this class of work are well known to this Society ; the efforts of their officers have made the worst excesses of parental iniquity almost impossible ; but since, under the Children Act, the Education Authority has taken upon itself the health and nourishment of the children, it would seem desirable that the State should also bear the responsibility of the enforcement of the law.

In cases where meals had been given for a considerable period, and the parents had stated that their incomes were obviously insufficient to support adequately their children, attempts were made under the same section of the Act to compel an application for relief under the Poor Law. But the machinery is cumbersome, and the evidences of poverty must be so strong that the physical suffering of the children through hunger is apparent to the most casual observer ; and no case of successful compulsion has yet been recorded. A special officer, however, has been appointed to deal with the whole question ; and though he has not yet been able to carry through successfully any prosecution of this nature, still his visits and demeanour have certainly effected a distinct

*Cruelty to Children and Young Persons.*

12.—(1) If any person over the age of sixteen years, who has the custody, charge or care of any child or young person, wilfully assaults, ill-treats, neglects, abandons, or exposes such child or young person, or causes or procures such child or young person to be assaulted, ill-treated, neglected, abandoned or exposed, in a manner likely to cause such child or young person unnecessary suffering or injury to his health (including injury to or loss of sight, or hearing, or limb, or organ of the body, and any mental derangement), that person shall be guilty of a misdemeanour, and shall be liable—

- (a) on conviction on indictment, to a fine not exceeding one hundred pounds, or alternatively, or in default of payment of such fine, or in addition thereto, to imprisonment, with or without hard labour, for any term not exceeding two years ; and
- (b) on summary conviction, to a fine not exceeding twenty-five pounds, or alternatively, or in default of payment of such fine, or in addition thereto, to imprisonment, with or without hard labour, for any term not exceeding six months ;

and for the purposes of this section a parent or other person legally liable to maintain a child or young person shall be deemed to have neglected him in a manner likely to cause injury to his health if he fails to provide adequate food, clothing, medical aid, or lodging for the child or young person, or if, being unable otherwise to provide such food, clothing, medical aid, or lodging, he fails to take steps to procure the same to be provided under the Acts relating to the relief of the poor.



improvement in the standard of parental care in the neighbourhood.

The present circumstances of our applicants are as follows. These represent to a certain degree the results of our treatment.

In work, 27.	Children in workhouse school, 3.
Left school, 2.	Family in the workhouse, 1.
Emigrated, 3.	Families still being regularly assisted, 31.
Moved, 7 families.	Assisted at intervals, 17.
"Floated off," 133.	

The process described as "floated off" takes place in various ways. The children do not come to the meals, nor do the parents call on the secretary when asked to explain if they are still in need of assistance; a change of circumstances is suspected, and the teacher does not feel convinced that meals are needed; so the children are taken off the roll. In some few instances the father who has found employment comes with commendable promptitude and no little satisfaction to tell the Committee that meals are no longer required. But in far the majority of cases the offer of meals is merely discontinued because it is disregarded or refused; and the Committee does not know, and ought not to wish to know, why the parents who were unable to fulfil their responsibility a short time ago are now competent to do so. And it is at that point that the family is classed as having "floated off" from the shore of dependence into the tide of economic stability and self-respect.

It remains to sum up the results of the efforts of the Committee and the nature of their experience as shown above. Throughout the decisions regarding relief were given on insufficient evidence both of the scholar's need or the parent's poverty. Investigation in both these directions requires time, trouble, and talent, in order to be trustworthy, and the Committee had not sufficient of these at their disposal. With the knowledge obtained certain efforts were made to assist the family effectively. The various plans proposed for permanent and efficient help for these destitute families may be criticized; but at any rate it may be claimed for them that they constitute an honest attempt to deal with the

difficulty as it presented itself. The conditions to be accepted before adequate assistance was given may appear harsh to the uninitiated. Their harshness provided a test of the existence of the alleged poverty ; and the relief, if accepted, would have been sufficient for the needs of the family.

But all effective social effort of this nature was paralyzed by the compulsion which the Act lays upon its administrators to feed the supposed underfed child. Thus, whether the conditions and advice offered by the Committee were accepted or not, the child had daily a meal provided. It was impossible to warn the applicant, as in other branches of the Poor Law or charity, that refusal to accept the suggested plan for his welfare would mean the stoppage of the relief. The effect has been to render the work of a Care Committee not only nugatory on the side of raising the standard of life, but positively harmful to the morals of the people.

The rumour that the children of drunkards are relieved acts as a constant temptation to those whose sense of responsibility and good living are only preserved by constant effort and self-denial. The neighbours are far better informed of each other's weaknesses than the Committee can ever hope to be. In their eyes the righteous are forsaken and the wicked flourish as a green bay tree. As a woman said to me, " You won't help me as long as I keep my children respectable, but those who are always in the ' pub ' they gets it." It offends rightly the sense of justice of the poor and their standard of the fitness of things, that the man who makes no effort or is distinctly vicious has no longer the cry of his child's hunger in his ears, while the widow who works early and late is given neither commendation nor encouragement. Further, the money is gathered from the pockets of the rate-payers. The Care Committee has no responsibility for its collection, and to all of them, even the most conscientious, the gibe of Sydney Smith applies in some degree, " That there is nothing so popular as giving away other people's money."

Neither is any gratitude or loss of prestige felt by the recipients. A man whose family had been assisted off and on for three years, desired a resumption of breakfasts for his children, and he wrote to our secretary an application couched in the following terms :

“ Dear Miss ——, I am out of work, so will you do the needful ? ” The point of view is apparent. The applicants pay rates and the food is theirs by right ; the stigma of the Poor Law which rightly attaches to those who cannot support themselves has been carefully removed, and these parents have become pensioners of the State without compunction and without shame. The consequent demoralization cannot be overestimated. An investigation into social conditions which is unaccompanied by power to act on the results of its inquiry is an absurdity and a farce. There is no answer except one to the complaint of the self-denying and independent poor. Therefore it is not without due realization of the risk of indiscriminate State doles, that acute sociologists have suggested the provision of a plain meal on demand for all children without inquiry and without discrimination. For the taint of pauperism is now detached from the degrading form of relief, and it is only the sense of parental duty and some vague fear of the consequences that prevents all our people from making application for the meals ; and knowing the poor and their hardships as I do, I suggest that the few applications we have had is beyond all praise ; for it predicates a deep love of offspring and an independence which our legislature has so far failed to undermine.

Add to this, that this Act has established a new gigantic system of outdoor relief with all its evils, and some others peculiarly its own ; that the relief is inadequate and is given in subvention of wages which tend only too surely to subsistence point ; that the food is provided, not for the whole family, but for one section of the household ; that the food is distributed, not in the home, but in a public hall ; that then the child, separated sufficiently by the exigencies of poverty, is still further aloof from his parents’ influence and love—all this stamps the social effects of free meals for scholars as ruinous to the morals of the poor and a source of degradation to those who come within its range.

On the other side it may be said that the child no longer need go hungry to school, and the hungry child is a disgrace to our civilization ; and this is right, though the number of the scholars fed in this poor district might easily have been met by voluntary contributions. For the following statement, quoted by the Poor Law Commission has been fully borne out by our experience :

“ We have repeated in this Report what we have always maintained and assert to have been proved by our experience, that all the relief required by necessitous children can be met from voluntary contributions, provided that the organization for inquiry into want, for collecting subscriptions, and for distributing food is rendered effective.” <sup>1</sup>

Further, it may be said that the provision of food gives to the community power and opportunity to make inquiries into the evil conditions regarding child life in its district; that it is then possible to apply the appropriate remedies, and that prosecutions for neglect have a better chance, and that a sense of responsibility is developed when the parent knows that his child is no longer so much his own as he fancied he was. But school managers might have done all this before the Provision of Meals Act was put into operation.

It is true that this sense of fear and dread of some public authority is gaining ground, and that its effect is salutary in some degree. A woman, representative of those who give us most trouble, certainly complained “ that you can't do as you like with your own children.” All this is to the good; yet it may be questioned if State interference can ever effect the necessary improvement in these intimate relations of parent and child. The love of parent to offspring is too delicate and tender a plant to be fostered by such methods as these; the improvement must depend ultimately upon individual character and must gain ground slowly only through the influence of all that goes to the making of life in its highest sense.

Moreover “ regimentation ” of this kind frequently defeats its own object. The following story illustrates well the unexpected results of actions which may be thought to have been beyond reproach: I had occasion, through the instrumentality and with the help of a new teacher, to carry through successfully the prosecution of a woman who was in the habit of beating her little girl with the “ poker stick.” The evidence was damning, the child's back was a mass of weals, and the woman was bound over to keep the peace against her child for six months. After an interval the

<sup>1</sup> L.C.C. *Report of Joint Committee on Underfed Children for the Season 1906-1907*, p. 3.

mother came to the teacher to tell how the girl had become quite unmanageable. "For," she asserted, "I don't dare touch her now, for if I do she says she'll have the 'cruelty' man after me." Can it be argued that the loss of all parental authority in the case was compensated by the child's sense, so frankly expressed, of her own rights and security?

Further, I confess to a sneaking sympathy with the father who replied in these terms to a teacher who objected (and perhaps rightly) to the dress of one of her scholars being fastened together with pins: "If pins suit me pins ort [*sic*] to suit you." Tales of this nature—and they might be multiplied indefinitely—seem to show that the zeal and eagerness to do good may easily defeat their own ends; and as it has been said that a compulsory religion is no religion, so it may be argued with some reason and force, that the parental care demanded by legal enactment will in all essentials fail through the presence of that fear with which there can be no perfect love.

The discussion of the limits of State action and control would be out of place in this essay; it is sufficient to indicate how deep and wide are the issues of what seems so obvious and necessary a duty as the provision of a meal at the State cost to a hungry child.

Behind the forces of good and evil which this Act has let loose upon the life of the poor, there remains the opportunity of the friendly visitor attached to the Care Committee. Experience shows that such a visitor is "born, not made"; with true sympathy and insight she (for it is almost always a woman) can enlarge her sphere of interest to include all that pertains to the life of the children. She has been busy in this way before the scheme was inaugurated, and we are grateful for any increase in her numbers which the publicity of this Act has brought. It would appear, however, that, if properly trained and organized, there are in London a sufficient number of these workers. At present they follow each other round the houses without method or co-operation. Health of soul and body, housing, material assistance, are all objects of their visits. Now children have been added, and the point of view of the long-suffering poor is expressed by the woman who proudly proclaimed that "she was known to all the ladies." And the little boy who announced the parson as "Please, mother, it's religion," may be expressing an attitude

similar to the woman who addressed the district visitor from the upper window with the words : " Thank you, miss, we're suited with a church."

Yet this recognition by the State brings its own dangers to the friendly visitor and her work ; there can be no gratitude from the recipient of that which costs the giver nothing ; and the food is provided, as the poor know, at no personal sacrifice of the visitor ; to that extent the curse of bureaucracy descends upon the shoulders of the visitor, and the advantage of the respect which she commands on the side of the enforcement of her advice is counterbalanced by that possible loss of confidence, which is refused to an official but granted to a friend. This may be hypercriticism ; neither is it possible to support so vague an accusation by definite instances, but the danger is none the less real. And with this comment we may be grateful for the spirit which the creation of care committees has given to this form of beneficence.

For the fact remains that the Education Act, as it applies to the provision of meals, is bad. It was an ill-considered attempt by politicians in a hurry to appease the demands of an outcry by a section of agitators. False to all theories of rational government, the Act has shown itself pernicious in practice ; and if its policy constitutes friendship " for the masses," the self-reliant poor may well pray to be saved from their friends. At the outset social workers who, for the sake of the people for whom they cared, have undertaken its administration, prophesied its failure and its mischief, and their prophecies have been too sadly fulfilled.

The statistics given in this essay are but the skeleton of the working of the Act ; and only those who possess an intimate knowledge of the poor can feel these strictures in their full force. But to those who have seen and toiled, and hope some day to understand, the dry bones pictured by these figures represent to the imagination a great and mighty army to whose souls it is of infinite importance that the breath of awakening shall be a spirit of energy and strength and not a soothing wind which lulls them to carelessness and sloth ; for the constant strain to keep alive even the slight independence which is left among those who are only too ready to grow weary in the battle of life, and the ever-present temptation which this opportunity of free meals affords to them to sell their birthright of

parental responsibility for a mess of pottage, must be seen daily and day by day, in order to realize in all its fulness the danger of this new system of outdoor relief to the character of the poor.

There is a brighter side to this picture, for the Act deals also with the medical inspection and treatment of school children, and their supervision during adolescence, as well as their choice of a trade ; this work is also the duty of a care committee, and with these departments I shall deal on a future occasion.

HENRY ISELIN.

## NOTES AND MEMORANDA.

LABOUR CO-PARTNERSHIP.—The following statement, under the title of “Co-partnership and Labour Unrest,” and signed by representative men like Lord Courtney, Rt. Hon. Thomas Burt, M.P., Sir W. H. Lever, Sir C. B. Browne, Lord Hythe, and Dr. Alfred Marshall, has been issued by the Labour Co-partnership Association: “The widespread unrest of Labour, whether in municipal or private employment, culminating in a near approach to a general strike, paralyzing the public services and the industries of the country, injuring us all, and reducing scores of thousands to the verge of starvation, has once more called every thinking man’s attention to the serious defects in our present industrial organization. We do not mean merely the inadequate wages of unskilled labourers, but something more fundamental than even that. Can we be satisfied, men are asking, with a system which divides those engaged in the necessary work of producing wealth into two armies, usually in a state of armed neutrality towards one another, but ever and anon breaking out into violent hostilities? Is there no better way which, without robbing any man, or enslaving any man, will unite their interests and their efforts? We think that there is. We who sign this Memorial have advocated a principle which gives us the hope, we believe the assurance, of such a better way.

“The Co-partnership of Labour with Capital is capable of many modifications according to the needs of varying industries, and in some one of them it is applicable to almost every industry where labour is employed. In its simplest form, taking the case of a man employed by a great limited liability company, it involves (1) that the worker should receive in addition to the standard wages of the trade, some share of the final profit of the business, or the economy of production; (2) that the worker should accumulate his share of profit, or part thereof, in the capital of the business employing him, thus gaining the ordinary rights and responsibilities of a shareholder.

“Where men are so employed they cease to be mere wage-servants and become partners in industry. ‘From slave to serf, from serf to wage-servant, from wage-servant to partner,’ said Mazzini. They do not cease to be interested in maintaining and improving the standard



rate of wages, and the standard conditions of labour ; but they do gain also another interest and a wider outlook. They have to look at industry also from the point of view of men who share the ownership and control. Their interest is no longer wholly apart : they meet the other parties to industry on a common footing ; they learn to realize a common interest and all the moral force that arises from common interest and from working together. We believe that in the general application of this principle is the best hope of building up a better industrial system.

“Co-partnership assumes a standard wage before there can be any talk of profit to divide. A standard wage assumes organization to maintain it and to raise it. It assumes reasonable forms of trade unionism, collective bargaining, the meeting of capital and labour upon equal terms. Organization of both employers and employed, with conciliation machinery to fall back upon when outstanding differences remain, we regard as necessary in the interests alike of labour, capital, and the community as a whole.

“But we say that such organization is not enough. The conflict of interest still remains too acute. It is still too easy for the narrower-minded employer to believe that every gain to labour is filched from his profits, and for the narrower-minded workman, that every improvement in profit is filched from his wages. The situation requires to be humanized and softened by some measure of an unmistakable common interest, and by the habit of working together. These Co-partnership gives ; as it gives the workman also a provision for his old age, amounting gradually to some hundreds of pounds per man in actual instances which we could quote.

“A great economist has said that ‘What labour loses,’ under a degrading industrial system, ‘no man gains’ ; so we say, that ‘What labour gains under an elevating system, no man loses.’ There is better work, not necessarily harder, but more intelligent and more conscientious ; there is less interruption and waste, more sympathetic management, and, therefore, there is more produce to share.

“Co-partnership is no mere theory. Worked out originally over long years of struggle, and in great variety of details, by working men in their own co-partnership workshops, adopted from time to time by a few large-minded employers in various trades, twenty-one years ago it was extended in the midst of industrial conflict to one of our greatest gas works, and only three years ago further extended and, happily, in perfect peace to several more, including the largest, so that now these co-partnership companies control more than half the capital which is invested in gas companies in England.

“We say it is time to extend its application still further. The bulk of the great industries of the country might come under its equitable

operations. It can already show excellent results in peace, in better conditions and in prosperity, and as time goes on these results are accumulative. To-day it is a marvel that through co-partnership the workers in the three London gas companies have nearly £600,000 accumulated in the capital of the works in which they work. But the yearly growth of this sum shows that it is but a beginning. By co-partnership, said a celebrated employer, who gave his heart to it, the working classes in the next generation will make as big a step forward in material prosperity as the middle classes did in the last.

“It has been well said that nothing is settled which is not settled right, and we are convinced that the wage system alone is not capable of removing the deeper causes of the labour unrest which prevails. We know that no mere change of machinery can be a substitute for a right spirit, though right machinery and a right spirit act and react to perfect one another. But our practical experience of co-partnership emboldens us to call upon the great employers and the trusted leaders of labour, and the general body of men and women of good intent, to consider whether co-partnership be not at least a great part of the solution of the industrial problems which have of late so forced themselves upon our attention.”

The greatest progress of the adoption of the principle has been amongst the gas companies in the country. There are now thirty-three companies practising the principle, with a capital of £47,643,691—more than half the total capital of all the gas companies—and having 19,766 co-partnership employees. The dividend to the employees for the last year amounted to £88,868, and the total profit allotted to employees under the schemes has been £687,866. The employees now hold in the capital of the companies about £600,000.

The suggestion has been made that municipal gas works should introduce profit-sharing on much the same lines. In addition to standard wages, it is proposed that each employee should also receive a bonus or dividend at so much in the pound on his wages, such bonus or dividend varying either with the economy of producing gas, or with the profit of the gas works as a whole.

The profit-sharing workers should be required to accumulate the whole or part of the profit allotted to them, in a special savings fund established by the municipality for the purpose : the amount so accumulated to remain as a provision for old age, and, meanwhile, so long as the owner remains an employee, to bear a rate of interest fluctuating with the profitableness of the gas undertaking, or with the economy of production. This could probably be most simply brought about by saying that at each yearly division of profits the worker should receive a dividend not only on his wages, but on a sum equal to his

wages for the period, plus the amount standing to his credit in the savings fund. He would thus get the same dividend each time on his wages and his savings. If the economy of production was great he would get a high rate of interest ; if there was no economy of production he would get no interest for that period. This plan would have the characteristic advantages of Co-partnership ; it would identify the interests of the worker and the employer, and would give to the worker a feeling of responsibility because it would give him a provision laid up for the future, the amount of which would largely depend upon his own work and that of his fellows.

Under the co-partnership scheme adopted by Lever Brothers, Ltd., some 20,000 partnership certificates to the value of £214,982 have been issued to 1149 employee partners, and upon these 10 per cent. was declared last year, amounting to £20,000.

The number of co-partnership workshops established by working people, with working class capital, increase slowly, but many of those already established are extremely prosperous, and show good increase in their trade and number of employees.

HENRY VIVIAN.

**THE ALIEN ACT.**—By the courtesy of the Editor I am permitted to make a reply to Mr. Zimmermann's brief and courteous rejoinder to my article in the October number. This I specially welcome in view of the fact that some, at least, of the points raised by Mr. Zimmermann are based on a misunderstanding of the aims and objects of the Alien Act. This aimed at a moderate restriction on the immigration of undesirables—whatever the reason why they are not desired—and not at total prohibition ; and, as I shall try to show, it is only against the latter that certain of Mr. Zimmermann's arguments hold good.

First, as to the repetition in 1911 of what after all was, even in 1905, a purely debating point, my objection was confined largely to that one particular phrase. I quite agree with Mr. Zimmermann that to " profess to reprint an old article " and then materially to have altered it in order to bring it up to date would have been inexcusable. But surely this does not apply to a slight alteration of detail, which did not affect the main argument. To recapitulate briefly : Mr. Balfour was accused of indifference to the interest of the working classes for giving the controversial Alien Act preference over the non-controversial Unemployed Workmen Act. But both are now the law of the land, and, becoming so, have rendered this charge obsolete. Surely, therefore, justice to a great statesman demanded its deletion, or at least its withdrawal in one of the footnotes that Mr. Zimmermann utilized in other parts of his article. [ Mr. Zimmermann raises three points, the first being opposed to my claim

that "the Act gives the fullest and most unequivocal support to the right of asylum." He claims that this right is only assured where danger to life or limb is involved, and that it could be extended as proposed at that time by Mr. Asquith, by adding the words, "or liberty." That is to say, he regards the right as limited at present by the exclusion of danger to liberty. Unfortunately, the full phrasing of the clause includes "danger of imprisonment or danger to life or limb," words which Mr. Zimmern has himself italicized. The Act, therefore, does specifically give the right in case of danger of imprisonment, which appears to me to cover pretty well the case of liberty. The point, therefore, reduces itself to a mere question of drafting.

Apparently, however, Mr. Zimmern holds that the right is limited in three other ways, to judge by his italics—namely, that the refugee has to "*prove*" he is seeking shelter on political or religious grounds, that he is doing it "*solely*" on this ground, and that in such cases, he shall not be refused "*merely*" on the grounds of want of means. First of all, the Act does not say he must do these things, but only that if he does, he *must not* be refused admission. Otherwise he may still be admitted on satisfying the Immigration Board as to his claim. The Act simply requires the would-be immigrant to bring evidence of the truth of his statements, and obviously it is no limitation of the right of asylum to require that the claim to it shall be substantiated. Similarly, the words "*solely*" and "*merely*" are aimed at the criminal, and such like, whose lives, limbs, or liberty are primarily and mainly endangered for purely civil reasons. To take an instance, should the murderer of M. Stolypin have sought asylum in this country, he could have alleged the partly political character of his offence; but, political or not, it would in any case have rendered him liable to the death penalty. Where, therefore, civil and political offences are combined, the cases must be decided on their merits, and this again involves no limitation of the right. It is open to Mr. Zimmern to prove that the Act is being wrongly administered in this respect, and to agitate against this; but that does not alter the fact that the Act itself does not limit the right of asylum.

Secondly, Mr. Zimmern challenges my view as to the effect of immigration in diminishing employment for our own people. I notice, however, that he fights shy of my argument dealing with the evil effect of alien influence in other directions on the industries concerned—more particularly as regards casualization and sweating, and what one may call the "Greener problem." He makes two points—that the alien immigrant has not displaced labour, and that he has actually increased employment. For the former he relies too much on a quotation from the Alien Commission that really proves very little: "On the whole, it

has not been proved that there has been any serious displacement of skilled English labour." This statement, therefore, is confined to men already in the trade, by implication it bears witness to some displacement even of them, and it does not say that this is not serious, but that *on the whole it is not proved to be so!* I doubt also if it has taken sufficient account of two ways in which the effect of immigration is probably far more serious. First, does it allow for indirect as well as for direct displacement? Shops worked by alien labour compete with others employing British, and the price at which they work often enables the former to undersell the latter, and the result may be temporary or permanent displacement of English labour. Secondly, account must be taken of the openings available for the rising generation. In the crowded East London boroughs, the number of openings available in more highly skilled work is a matter of great importance. The presence, therefore, of large bodies of aliens continually recruiting certain trades, whilst it may not much affect the workmen already in them, seriously reduces the places available for their sons and other youths to enter. The new supply of labour, therefore, is apt to be turned aside from openings in a skilled trade like cabinet-making to unskilled and casual occupations. The total result, therefore, may be a serious loss to native labour.

The other argument—that Alien labour has directly or indirectly increased demand—in tailoring and in boot and cabinet-making according to the Commission, and in the cigarette trade, according to Mr. Landa—is, after all, hardly relevant. It is an admirable argument against complete prohibition, but not against the moderate restriction of the Alien Act. This is so drawn that in practice it will not exclude those likely to bring fresh trade to the country. The man who can show he has definite employment to go to, the man who can satisfy the Boards that he is likely to be able to maintain himself, whether by his means or by his hands—such will still be able to enter. Even if some are excluded, they are not likely to be sufficient to injure the development of fresh trades or processes. On the other hand, those without a trade, who fall an easy prey to the sweater, or who merely displace the lower grades of English workers, are to some extent being excluded. Indeed, it will probably be possible to administer the Act in such a way as to operate most strictly at times and in places where labour is superabundant. Indeed, as at present drawn, its great merit is that it places no bar on those who may bring trade, and therefore employment, to this country, but does, to some extent, exclude those who will merely displace existing labour. The Act, indeed, could be far more stringent and still continue to do both these things, and the latter more effectively than at present.

On the third point Mr. Zimmern and myself must agree to differ; but I think his argument is again largely based on a mistaken impression. I certainly did not wish to suggest that the general character of the alien population was undesirable. Both the native and the foreigner, as I pointed out in my article, have their merits and their defects. Indeed, I said that in certain qualities, the latter were as superior as the former are in others. My view was that the alien population was superior on the whole to the lower grades of English casual labour, but with less potentialities, and inferior to the artisan population.

I am, I fear, impenitent in holding that the fact that the alien makes a good citizen is not the only thing to be considered, since the further question of whether there is room for him is even more important. Frankly, have we any right to allow the loss and degradation to our own people which results, or may result from the immigration? If the presence of the aliens causes or increases the number of British-born who are driven or kept out of regular employment, are we justified in sitting quietly by and watching their "power of assimilation" to the casual labourer? To those who regard the alien as one of the causes of the distress of British-born families, the only policy is to attempt to exercise as wisely as may be the power of exclusion. The first object must be to make the very best of our own people, and to do this it is necessary to attack all the many causes that are preventing this. The alien problem is only one of these, but it is one, and the fact that it is comparatively easy to attack, is all the more reason for dealing with it. So far as the alien is concerned, the right policy is to find, if possible, a place of settlement elsewhere, to offer him an alternative to being sent back to his own country. This was Mr. Balfour's view, I believe, when he offered land to the Zionist movement, and, unless my memory deceives me, the justice and expediency of doing this was insisted upon by Sir William Evans-Gordon. Surely it is a fair compromise, to which the opponents of restriction might give serious attention. To me it seems the obvious solution of the problem.

N. B. DEARLE.

THE PROBLEM OF UNEMPLOYMENT.—An International Conference on the subject of Unemployment was held in Paris on September 18–21, 1910, and as a result "L'Association Internationale pour la Lutte contre le Chômage" was formed. The need for accurate knowledge, both as to the causes and the extent of unemployment, is deeply felt in all industrial countries, and the immediate success of the Association in securing support for the international organization and in the formation of national sections is sufficient excuse for its existence.

The ideal of the Association is a federation of national groups, each

studying the problem as it presents itself in the particular country. The work of the Association will be to co-ordinate the various attempts made to find a solution of the problem. By July, 1911, nine national sections of the Association had already been formed—in Holland, Spain, Austria, Hungary, Italy, England, Belgium, France, and Germany—and in many other countries preliminary negotiations have been carried on with success.

The British section of the Association was formed on March 7, 1911. There are 39 members belonging to the section, and the Officers and Committee are as follows :—*President* : Canon Barnett. *Hon. Treasurer* : Mr. A. D. Steel-Maitland, M.P. *Hon. Secretaries* : Mr. J. R. Brooke, and Miss Sophy Sanger. *Committee* : Messrs. B. Seeböhm Rowntree (*chairman*), Percy Alden, M.P., W. H. Beveridge, I. G. Gibbon, G. P. Gooch, J. W. Hills, M.P., D. F. Schloss. The minimum subscription per annum is 10s. 6d.

It is greatly to be hoped that the English section will receive good support. The want of accurate knowledge with regard to unemployment has been lately demonstrated in Parliament. In the words of Mr. Churchill, "The Government, at present, could not be responsible for a universal scheme of unemployment insurance; but unless they made a beginning they would not acquire the materials on which to base a universal scheme. The *data* for further progress would be obtained only after they had made the first march." Experiments with unknown quantities are apt to be dangerous. While the experience which can be gained from the working of Part II. of the National Insurance Bill will be undoubtedly of great value, every effort ought to be made to awaken zeal for the scientific study and investigation of the whole problem of unemployment.

The example of Belgium, where the Association is receiving support not only from individuals and organizations of employers and employed but also from the public authorities of the provinces, cities, and towns, might be followed with advantage here.

The first number of the *Revue Internationale du Chômage* published by the Association is devoted to the subject of Insurance against Unemployment. Under the head of each country a description is given of the experiments which have been or are about to be made by public authorities, or otherwise, and a short bibliography is added to the sections dealing with Germany, France, the United States, and Great Britain. The intimate bonds which bind one nation to another are best seen in work of this kind. The success or failure of the experiment which is about to be made by the English Government in relation to insurance against unemployment will have important results outside England. The Bill could hardly have come into existence if the

Government had been obliged to rely for experience only on the efforts which had been made in England in this respect.

The "Association Internationale pour la Lutte contre le Chômage" gives an opportunity for comparison and study which should be gratefully received and welcomed. And its *Revue* will be of great value to all who wish to study the problem.

HELEN STOCKS.

CURRENT ECONOMIC PERIODICALS.—The December number of the *Economic Journal* has an article by Mr. W. T. Stephenson expressing disappointment with the result of "The Railway Conciliation Scheme." The Presidential Address by the Hon. W. Pember Reeves to the Economic Section of the British Association is reprinted, and deals with "Land Taxes in Australasia." Mr. L. L. Price reviews four recent books on "English Rural Land Questions"; and Professor Edgeworth publishes the second of his series of "Contributions to the Theory of Railway Rates."

The *Church Quarterly Review* for October contains three articles indirectly of importance in regard to social and economic questions. The editor, Dr. Headlam, carefully explains what he considers to be "The Value of the Establishment of the Church"; and there are anonymous articles on the proposed "Disestablishment and Disendowment of the Welsh Church," and on "The Board of Education and Educational Endowments."

As not infrequently, the *Irish Church Quarterly* for October has no article on the subjects which are the special concern of the *Economic Review*. It is a matter for regret that this periodical, so useful in many ways and likely to have an influence for good among Irish Churchmen, is less successful than the *Church Quarterly Review* and the *Irish Theological Quarterly* in including the consideration of such subjects.

Three articles in the *Irish Theological Quarterly* may be noticed here. The most important of the three is on "Eugenics and Moral Theology," by Father T. Stater. While pointing out that the general object of the new science is aimed at by the Christian virtue, Charity, and may best be promoted by religion, the writer expresses approval of much which its professors advocate. He protests against necessitarianism being made the basis of the science; and gives reasons for his opinion that the sterilization by operation urged by Dr. Rentoul and others is contrary to the common teaching of theologians and discredited by scientific opinion. Though feeling the need of caution in order to avoid



mistakes, he does not condemn such detention and segregation of certain classes of persons as may prevent their propagating children. An article by the Rev. D. Barry, entitled "An Important Duty of our Public Bodies," emphasizes the obligation on public bodies to appoint the best men obtainable to offices under their control and to take no less pains in such matters than an individual takes in his private concerns. The anonymous article "St. Liguori and Probabilism," deals with the somewhat technical question of the degree of Probabilism accepted by Liguori.

The *Hibbert Journal* for October, being the "Decennial Number," is altogether of quite exceptional interest and importance. It contains rather despondent articles on "The Corruption of the Citizenship of the Working Man" by Professor Henry Jones; "Decadence and Civilization," by W. C. D. and Catherine D. Whetham; and "The Characteristics of the Present Age," by Professor Frank Thilly; and, as "Social Service, No. 1," an "Appeal to English Gentlemen," by the Bishop of London. It is understood that in the future social topics will have a more prominent place in this *Journal* than has been the case in the past.

Foremost place is given in the *Local Government Review* for August to a review of Mr. Sidney Webb's *Grants in Aid*, arguing that to "rearrange the twelve millions of the Local Taxation Accounts at the same time as the eighteen millions of grants outside those accounts would be a task from which the most strenuous Chancellor might well shrink." Other subjects dealt with are "Town Planning," the "Report of the Royal Commission on Tuberculosis," the "Insurance Bill," and the "First Report of the Development Commissioners."

In the September number Mr. R. A. Glen examines the legal position of Local Authorities in regard to riots. Contributions on civic "Art," "Practical Town Planning," and "The Control of Public Advertising," emphasize the growing interest in questions of public taste and æsthetics. The section giving "Counsel's Opinion" on sundry controversial matters of local administration is a valuable feature recently added to the review.

The most informing article in the July number of the *Town Planning Review* is by Mr. J. S. Nettlefold on the general principles of city extension and town planning. He points out the extravagance of "noble" streets and "beautiful" kerbs; that the old idea of including only urban areas in a unified administration no longer holds good; that a five-mile radius is a fair average limit for boundaries; that boundaries

should in the main follow ridges in order to obtain a single drainage area ; and that it is easier to govern what is really all one city by single than by multiple control.

The *Socialist Review* for August has a slashing criticism of the Radical section of German Social Democrats by a Revisionist, Dr. Max Maurenbrecher. He says, "To count votes, multiply supporters, file up numbers in our organizations is no programme." Then follows an advocacy of the Parliamentary method. He seeks for a coalition of the Left in which Social Democrats should have the preponderating influence, and shows that the Social Democrats are able to ally themselves with the ordinary parties of the Left in matters concerning the Colonies, the Army, and Agriculture. M. Compère Morel, in an article on the rural exodus in France, gives the somewhat astounding fact that the average daily wage for the year obtained by agriculturalists is one franc, including wages paid in kind.

In the November issue, Percy Wallis writes on "Coal" ; J. Ramsay Macdonald urges that "The Sympathetic Strike" should be used and talked about with circumspection ; and C. E. Smith discusses "The Socialization of Capital." It also contains two translations, one an extract from Louis Blanc's reply to M. Thiers on "Socialism and the Right to Work," published in November, 1848, and the other an article by Ludwig Quessel on "The Socialist Method of Production."

Owing to the various influences affecting the amount of metallic money and the level of prices, questions connected with the gold reserve are likely to have an increasing importance. On this subject Mr. Henry Meulen contributes an interesting article entitled "Banking Reform and Currency," to the *Clare Market Review* for November. Another article, by Mr. W. L. Radcliffe, deals with the "early Development of the Linen Trade in Ulster."

The *Quarterly Journal of Economics* for November begins with an article of no less than sixty-eight pages by Prof. J. A. Field on "The Progress of Eugenics." The writings and investigations of the various schools are reviewed with an impartiality which is not often found in connexion with this subject. Other articles are "The United States Leather Co. and its Reorganization," by Arthur S. Dewing ; "Tenancy in the North Atlantic States," by Benjamin H. Hibbard ; "The Commission House in Latin American Trade," by William C. Downs. The Notes and Memoranda include a review of the British Board of Trade Report on Wages and Cost of Living in American towns, and several brief accounts of recent changes in American State taxation.

■ An article on "The Referendum in Great Britain," in the *Political Science Quarterly* for September, suggests that this policy, if adopted, will mean the end of Cabinet responsibility. "People's Rule in Municipal Affairs," describes the use of the Referendum in the local government of Portland, Oregon. Other articles deal with "The United States P. O. Savings Bank," and "Compulsory Old Age Insurance in France."

In the *Journal of Political Economy* for October, Mr. R. F. Hoxie describes the geographical distribution of Socialist victories in the recent American elections, the causes of these victories and the nature of American Socialist policy; Mr. T. Beale discusses some theoretical points connected with progressive taxation and the exemption of subsistence; and Mr. T. W. Page gives an interesting analysis of the causes of migration from Europe to America, contrasting the periods before and after 1875.

Dr. Louis Katzenstein writes in the *Revue Economique Internationale* for August on "Les Limites de l'Etatisation," discussing the nationalization of business undertakings. Other articles deal with "L'Activité féminine en France en XXe Siècle," by Mme. Paul-Juillerat, and "Le Mouvement de la Population depuis 1800 en Europe dans ses Rapports avec les Crises économiques," by Albin Huart.

The September number contains articles on "Préférence impériale britannique et Réciprocité canadienne," by A. R. Colquhoun; "Le Problème indou," an account of the nationalist movement in India; and "La Valeur économique de Soudan anglo-egyptien," by P. Arminjon.

*Le Mouvement Social* for September has some very interesting articles. One by V. Grandet, on "La Formation Morale de l'Acheteur," describes the aims and methods of the Consumers' Leagues in France, Switzerland, Germany, and the United States, but does not seem to be aware of the White Lists issued by the Christian Social Union in England. There is an account of the two types of "Internationalism," true and false, by G. Gautherot; a sketch of the conditions of home workers in Belgium, and of the legislation proposed to remedy the evils of sweating and child labour; and a review of the proceedings of the congress at St. Etienne for the study of the principles and methods of Christian Social Work.

In the October number, G. Desbuquois writes on "La Loi du Juste Prix," which he defines as the expression of the value of things in the social milieu, anterior to the contracting wills and thus independent of

the needs of particular buyers and sellers. Emmanuel Lacombe argues that the agricultural programme of the Socialist party from 1892 to 1902 was merely political, but that from 1902 to 1905 a definite agrarian doctrine was added.

The August, September, and October numbers of *La Reforme Sociale* are devoted to the questions which were discussed during the Annual Meeting of "La Société d'Economie sociale," special attention being paid to the moral problems of youth and adolescence.

Mr. Henri Lorin, in the *Annales du Musée Social* for September, explains Italy's interest in emigration. In the Supplement, Mr. Jacques Bardoux gives a fairly good account of the English Old Age Pensions Act. It may be observed that the title, "Retraites Ouvrières en Angleterre," is rather misleading.

*La Revue Générale* for September and October contains an article by Albert Bordeaux, entitled "De la Rodésia au Zambèze," describing a twelve days' journey by the author through British territory. Other articles discuss "La Question Douanière Franco-Belge," by André Haillot, and "Le Sabotage et les Chemins de Fer Français."

Carlo Grilli writes in the *Rivista Internazionale* for August and September on "Dinamismo Economico e Fiscale," expounding the various economic theories adopted by the English and Austrian schools of thought. The September number also contains an account of what has been done by the municipality of Venice to promote the better housing of the working classes.

The *Nationalökonomisk-Tidsskrift* for September and October contains articles on "The German Kingdom's Surplus of Increased Value," by Helge Smith, and on "The Connexion between Work-time and Work-output," by Even Marstrand, showing that shorter hours and more rest have not only proved beneficial to the work-people, but that the quantity of work turned out has been no less.

Emil Sommarin contributes an instructive account of the present position and future prospects of small holdings in Sweden to the *Ekonomisk Tidsskrift* for August and September. The demand for better cottages and better conditions of life tends to drive people off the land. To check this tendency, the cotter's legal position should be strengthened, and he should be assisted by the provision of cheap credit, systematic inspection, and agricultural schools. Further economies might be effected by the use of machinery and the scientific management and division of labour.

## LEGISLATION, PARLIAMENTARY INQUIRIES, AND OFFICIAL RETURNS.

Most people have some idea of the dangers attending work in mines, but it is only at a time when the country is thrilled by the news of some appalling disaster that the perils to which those who work underground are exposed come home to us. For the miner death lurks in all sorts of unexpected places, and after years of successful evasion some sudden catastrophe casts a cloud of mourning over an entire village. Notwithstanding stringent regulations for the prevention of accidents, every now and then an explosion reminds us that not even the strictest law can guard against every contingency. In 1906 a Royal Commission was appointed "to inquire into and report on certain questions relating to the health and safety of miners, and the administration of the Mines Acts," and especially upon the following points—"whether it is desirable to make compulsory the watering of the roads in dry and dusty mines; whether it is desirable to prescribe the forms of safety lamp which may be used in mines, or to prohibit any of those now in use; what steps could be taken for the better prevention of accidents, particularly those from the use and firing of explosives, from falls of roof and side, from underground haulage, and from winding; whether any special provision should be made to facilitate the work of rescue in the event of an accident, and whether any improvement can be made in the present system of investigation and inquiry into accidents; whether any steps should be taken to lay down a standard of ventilation in mines; what steps should be taken to guard against the disease known as Ankylostomiasis; whether the present system of rules is adequate, and whether the method of establishing such rules could not be made simpler and more effective; whether any, and if so what, steps should be taken to improve the administration of the Mines Acts and the discipline in mines; whether any change is desirable in the present system of examination for managers' and under-managers' certificates of competency, whether the managers of metalliferous mines should be compelled to hold such certificates, and whether certificates granted by Colonial Governments should not be accepted in this country." Three reports have been issued by the Commission.

*The Third Report of the Royal Commission on Mines* (Cd. 5561, 17 pp., 2½d.) contains the results of an inquiry into the ventilation of mines and the treatment of pit horses and ponies. As regards ventilation, General Rule 1 of the Coal Mines Regulation Act, 1887 (section 49), provides that "an adequate amount of ventilation shall be constantly produced in every mine to dilute and render harmless noxious gases to such an extent that the working places of the shafts, levels, stables, and workings of the mine and the travelling roads to and from these working places, shall be in a fit state for working and passing therein. In the case of mines required by this Act to be under the control of a certified manager, the quantity of air in the respective splits or currents shall at least once in every month be measured and entered in a book to be kept for the purpose at the mine." General Rule 7 also provides that "if at any time it is found by the person for the time being in charge of the mine, or that part thereof, that by reason of inflammable gases prevailing in the mine, or that part thereof, or of any cause whatever, the mine or that part is dangerous, every workman shall be withdrawn from the mine or part so found dangerous, and a competent person appointed for the purpose shall inspect the mine or part so found dangerous, and if the danger arises from inflammable gas shall inspect the mine or part with a locked safety lamp, and in every case shall make a true report of the condition of the mine or part; and a workman shall not, except in so far as is necessary for inquiring into the cause of danger or for the removal thereof; or for exploration, shall be readmitted into the mine, or part so found dangerous, until the same is stated by the person appointed as aforesaid not to be dangerous. Every such report shall be recorded in a book which shall be kept at the mine for the purpose, and shall be signed by the person who made the inspection."

It has been objected that the words "adequate" as applied to ventilation, and "safe" and "dangerous" as applied to the state of the mine with regard to firedamp are too vague, and that this vagueness renders the rules difficult to administer. The Commission do not, however, see that it is possible to alter the expressions, and point out that no rule can be laid down by which it is possible to determine whether a mine is well ventilated, "for the efficiency of the ventilation depends on the amount of gases given off by the coal, the heat of the mine, the length of the galleries, the number of men and animals employed, the extent of blasting, and the distribution of the air, so that though it may be possible in a text-book to describe what good ventilation ought to be, it is quite impossible to lay down the conditions of it in a clause in a statute." One improvement suggested is that a rule should be framed "enacting that when gas is found to exist in any

place to a greater extent than some specified percentage, no men should be permitted to go there or work there except under special supervision for the purpose of removing the excess of firedamp or otherwise securing the safety of the mine." The principal difficulty arises in determining what the percentage shall be, and how to ascertain it. Whatever percentage is fixed upon, it must be one which can be readily discovered by means in the possession of miners, supplemented by more scientific apparatus in the hands of officials. Briefly the conclusions of the Commission are that the prescribed percentage should be well within the limits of an explosive mixture, fixed in this case at  $2\frac{1}{2}$  per cent. of firedamp, and that the place for taking the sample should be in the general body of air in the working place. The percentage refers chiefly to smaller roads and working places. The main haulage road should be practically free of gas, and in mines worked with naked lights  $1\frac{1}{4}$  per cent. should be substituted for  $2\frac{1}{2}$ .

Part II. of the report is concerned with the treatment of pit horses and ponies. No means of ascertaining the numbers of animals worked in pits exists, since no statistics are kept. From time to time attention has been drawn to alleged cases of cruelty to horses and ponies, and several articles have appeared in the public press on the subject, notably those of Mr. Francis A. Cox, the Hon. Secretary of the National Equine Defence League, who speaks of the "constant moan of dull despairing agony which is rising from thousands of helpless dumb animals." Again, speaking of pit boys, he says, "That they are cruel to the ponies is an undoubted fact; that deliberate torture and a studied application of pain is a tradition and routine of work in mines is as true as that the sun rose this morning." And again, "What must be the fate of the pit pony, working in the dark places of the earth, where no eye can see nor influence restrain, under the control of a class which environment and heredity have denuded of most of the higher moral attributes?" Notwithstanding this strong indictment, and the evidence of Mr. Cox and his witnesses, the Commission arrived at the following conclusions: (1) That no general or widespread system of cruelty to pit ponies has been proved to exist. On the contrary, as a general rule, they are kindly treated, well fed, generally speaking not overworked, and work in equable and warm temperatures, and are preserved from extremes of cold; and (2) But that, on the other hand, individual cases of overwork and ill-treatment exist, which can and ought to be stopped.

Yet another source of danger has been added to work in mines by the introduction of electricity for purposes of lighting and motive power. In 1902 a Departmental Committee was appointed "to inquire into the use of electricity in coal and metalliferous mines and the dangers attending it, and to report what measures should be adopted in the

interests of safety by the establishment of Special Rules or otherwise.’’ As a result of the inquiry Special Rules were established at coal mines in 1905. Since that year the use of electricity in mines has extended to such a degree that a revision of rules was called for, and in 1909 another Departmental Committee was appointed for this purpose. According to the *Report of the Departmental Committee appointed to consider the working of the existing Special Rules for the use of Electricity in Mines* (Cd. 5498, 45 pp., 5d.), the possible dangers arising from the use of electricity in mines are (a) the risk of ignition of explosive gas, coal dust, and other inflammable material, as a result of open-sparking, i.e. sparking not confined within the apparatus itself, but such as would ignite inflammable gas external to the apparatus; and (b) the risk of electric shock. The number of accidents arising from both these causes has tended to increase, but is comparatively small as compared with the growth of the use of electricity, the proportion of accidents never having been greater in any one year than 1·54 of the total accidents. But even this small proportion the Committee consider might be avoided if more care were taken in the construction and maintenance of apparatus; and, as a result of the evidence (see *Minutes of Evidence*, Cd. 5533, 216 pp., 1s. 9d.), offer suggestions for the strengthening of the existing rules on the following lines: by prohibiting the use of electricity where on account of the risk of explosion such use would be dangerous; by providing that inflammable material shall not be used in the construction of motor rooms where there exists the risk of fire; by more stringent regulations as regards the earthing of the outer coverings of apparatus; by clearly setting forth the conditions to be fulfilled by switch-gear; by insisting upon the better mechanical construction of cable apparatus; and by providing for the proper supervision of apparatus.

In the appendices will be found the Special Rules, and a detailed list of fatal accidents resulting from the use of electricity in mines between 1st January, 1905, and 30th June, 1910.

But in spite of all regulations and precautions, accidents continue to occur in mines, and while using every endeavour in the direction of prevention, attention must also be directed to the provision of adequate means of rescue and mitigation of suffering whenever these unfortunate occurrences take place. With this end in view a Departmental Committee was appointed in October last year “to consider the organization for rescue and aid in the case of accidents in mines, and to frame proposals for the making of an order or orders under the Mines Accidents (Rescue and Aid) Act, 1910. In the *Report of the Departmental Committee on the Organization of Rescue and Aid in the case of Accidents in Mines* (Cd. 5550, 5 pp., 1d.) will be found the draft



of such an order, which provides for the formation of rescue brigades, of which most of the members must hold the certificate of the St. John's Ambulance Association, or the St. Andrew's Association. Also they must have received instruction in the reading of mine plans, in the use and construction of breathing apparatus, in the properties and detection of poisonous or inflammable gases, and in various appliances used in connection with mine rescue and recovery work. Regulations are also laid down for the provision of efficient and adequate rescue apparatus.

In reading the *Report of the Commissioners of Prisons and the Directors of Convict Prisons, for the year ending 31st March, 1911*, 2 vols. (Cd. 5891-5892, 377 pp., 1s. 7d.), one cannot but be alive to the new note which year by year is more insistently struck. Reclamation as a working principle is more and more displacing punishment, and the criminal is coming to be regarded as a subject rather for beneficent experiment than for drastic repression. As public opinion becomes more enlightened, punishment as such tends to disappear, and imprisonment comes to mean rather detention in some institution where, removed from demoralizing influences, everything is done to bring out and foster the better side of the prisoner's nature, and turn him into a responsible citizen. Incurables will undoubtedly still remain, but the number would probably decline considerably under a humane system of reclamation. Special rules for this class of criminal came into force last year, and these rules might in time be made more stringent, so that cases of hopeless criminality could be detained for life, as are cases of hopeless lunacy.

The report on the whole is decidedly optimistic, and the Commissioners are of opinion that crime is declining, notwithstanding the conclusion expressed in the last volume of Judicial Statistics that "criminality had become somewhat more prevalent than it formerly was among the community generally; that the increase of crime had been specially marked during the last ten years; that it was largely due to a relaxation of the public sentiment with regard to it; that the increase in the number of indictable offences for the last ten years is not a mere passing phenomenon, but the symptom of a real and increasing danger to the public welfare." The Commissioners base their more hopeful conclusion upon the fact that the proportion of imprisonments after conviction during the year was the lowest point reached, with the exception of one year (1900-1), for the last thirty years, and that this decrease stands side by side with a lower daily average population of prisons. In their opinion it is necessary to take cognizance of a much longer period than ten years in order to obtain a reasonable view of the tendency of crime. If a period of fifty years is taken, a very definite decrease

is evident, as much as from 276 to 187 per 100,000 of the population of the country. Moreover, the statistics of youthful crime and the ages of prisoners bear strong testimony of improvement. The number of offenders under the age of twenty-one, convicted on indictment of offences against property, has fallen since 1898 from 1457 to 1352, a decrease of 7 per cent., while the number committed to prison between the ages of sixteen and twenty-one has decreased during the last seventeen years from 21,585 to 11,543, a decline of nearly 46 per cent. And with regard to ages, to quote the report, "if we look at the ages of all persons received into prison on conviction, the lesson to be learnt is that the mass of crime is being committed by men who are gradually advancing from one age category to another, and leaving a diminished number to take their place. Ten years ago 32 per cent. of offenders convicted on indictment of offences against property were first offenders; now that number is only 23 per cent. of the total so convicted. Figures, if they prove anything, would seem to show that the mass of crime is confined to recidivists, and not to the spread of crime in the community generally, thus confirming the opinion of M. Tarde that "la criminalité se localise, en devenant une carrière."

One of the most useful reference books published is the *Statistical Abstract for the United Kingdom*, containing as it does a summary of almost every other annual parliamentary publication. The last edition (Cd. 5841, 409 pp., 1s. 9d.) contains information for the last fifteen years from 1896 to 1910, and amongst other matters deals with revenue and expenditure; taxation, imperial and local; foreign trade and shipping; the home trade, including prices, agriculture, railways and tramways, mines, companies, coinage and banks; building and industrial and provident societies; the post office; patents; population; police; education; and pauperism and crime.

The agitation against alien immigration was brought to an acute stage by the unfortunate Houndsditch affair, and a great deal of exaggerated nonsense was talked about the large proportion of crime committed by aliens in this country. Much was made of the matter in the sensational Press, and the term "foreigner" came to be regarded by many people as synonymous with rogue and vagabond. Mr. Landa, in his excellent book, threw a different light upon this vexed subject, showing that the average alien immigrant was a quiet, well-ordered and industrious person, capable of making, and endeavouring to become, a good citizen. Undoubtedly criminals exist among them, but that they are not in such numbers as is generally supposed is conclusively proved by the blue book on the *Aliens Act*, 1905 (Cd. 5789, 85 pp., 8½d.). Part I. of this interesting report consists of a statement with regard to the expulsion of aliens. There are two main conditions under which the alien becomes

liable to expulsion—(1) if convicted for an offence for which he is liable to imprisonment without the option of a fine ; or (2) if found within twelve months of his arrival in the United Kingdom to be in receipt of poor relief, or wandering without visible means of subsistence, or living in insanitary conditions due to overcrowding, or to have been convicted in a foreign country of an extradition crime. This second condition is restricted by the twelve months' period, but there is no such limit in the case of criminal aliens, who may be expelled at any time.

The alien question is a much more serious one in England and Wales than in Scotland or Ireland, since the proportion of aliens is probably very much greater. During the five years since the passing of the Act 1793 expulsion orders have been made against criminal aliens. Of these 1711 were in England and Wales, 72 in Scotland, and 10 in Ireland. London accounted for 1276 out of the 1711 English cases. In 1910 there were 414 cases, 396 of which were in England and Wales (272 in London), 17 in Scotland, and 1 in Ireland. This number exceeded the average for the five years, 358·6, but was below the number for 1909, 467. Of the 414 orders, more than half were represented by four nationalities, German 108, Russian (including Polish) 71, French 54, and American 35. During the year 75 aliens, or 4·18 per cent. of the total number expelled since the Act came into force, were found in the United Kingdom in contravention of expulsion orders previously made against them.

In face of the common idea that a large proportion of criminals in the United Kingdom are aliens, it is interesting to read that the proportion of alien prisoners to the total prison population has never exceeded 2·2 per cent. The alien prison population in England and Wales in 1910 was less than half that of 1904, and smaller than any yet since 1895. Since 1893, the first year for which figures are available, the number had steadily increased, with small fluctuations, until it reached its highest point in 1904. In that year the aliens numbered 4396, or 2·22 per cent. of all convicted prisoners received into prisons. By 1907, which was the second year of the working of the Act, the number had dropped to 2799, or 36·33 per cent. The total number of convicted prisoners had also decreased by 11·98 per cent., but, even so, the proportion of aliens to the whole had fallen 1·60 per cent. ; 1908 saw an increase of 10,077 in the total of convicted prisoners, and this increase was reflected by a slightly more than proportional increase in the number of aliens. In 1909 there was a recovery, the total number of convicted prisoners declining by 1892, or 1·02 per cent. The number of aliens decreased by 673, or 22·44 per cent., and the total was only 2326. This decline was continued in 1910, when, with a fall in the total of 7·97, the aliens decreased by 11·87 per cent., their number being

2050. This was the lowest figure since 1895, and made the proportion to the whole the smallest on record, 1.22 per cent.

The decline is attributed to expulsion and the fear of it, and a diminution in the flow of aliens into the country.

In view of the not infrequent remarks directed by those entrusted with the administration of the law against the alien criminal, it is remarkable that so little use is made of the power already placed in their hands for checking the supposed evil. Out of a total of 2050 alien prisoners in England and Wales during 1910, only 390 recommendations for expulsion were made. And yet in many cases where no recommendation was made a serious crime had been committed and a long term of imprisonment imposed. In London, out of 161 aliens convicted of larceny and receiving, 89 only were recommended for expulsion. Again, 40 aliens were convicted of forgery, coining, false pretences, etc., and 12 only were recommended for expulsion. And out of 84 convicted of wounding, assault, etc., 15 were recommended for expulsion. The figures for the provinces tell the same tale.

And even supposing full advantage were taken of the facilities granted to magistrates for recommending the expulsion of undesirable aliens, the difficulty still remains of preventing their return. The report complains that cases of this kind are too lightly dealt with, and suggests that the punishment should be severe. It is only in this way that expulsion orders can be made effective.

Part II. of the volume comprises the Inspector's Report. The number of alien passengers landed in the United Kingdom during 1910 was 610,723, of whom 476,083 came from ports in Europe or the Mediterranean Sea, and 134,640 from ports outside this area. The number embarking was 596,799, of whom 375,768 were for European or Mediterranean ports, and 221,011 for other ports. Thus the arrivals exceeded the departures by 13,944. The corresponding figure for the preceding year was 10,228. 1910 saw a considerable increase in the alien passenger movement, the number inward having risen by 75,918 and outward by 72,202. These increases are attributed to two main causes, first, the larger emigration from European countries to North America by way of British ports, as proved by the number of transmigrants, and second, the growth of the tourist traffic by the cross-channel routes. The excess of arrivals over departures is subject to certain qualifications. Of the inward passengers 10,283 were seamen, 6488 of whom were under contract to join ships in British waters. These in all probability left the United Kingdom during the year, but being on ships' articles were not included in the outward passenger lists. On the other hand, the outward returns included a number of recently arrived aliens, seamen and cattlemen, who were not shown on any inward passenger lists.

This number cannot be ascertained, but is estimated at between 3000 and 4000. Special returns show that 1362 alien cattlemen out of the total arriving during the year did not return on cattle ships, but either left the country as ordinary passengers or remained here. Taking these qualifications into consideration, the true excess of arrivals in 1910 was about 8500.

Several more of the *Preliminary Tables summarising the Results of the Returns received under the Census of Production Act, 1906*, with figures for the year 1907, have been issued. Part VI. (Cd. 5463, 57 pp., 6d.) contains particulars relating to the following industries: Preserved meat, poultry, fish, pickle, sauce, and baking powder; bacon curing, fish curing; butter, cheese, and margarine; clothing, handkerchief, and millinery; boot and shoe; hat, bonnet, and cap; glove, umbrella, and walking stick; fancy fur; hatter's fur; artificial flower and ornamental feather; needle, pin, fish-hook, and button; laundry and cleaning and dyeing.

Part VII. (Cd. 5545, 55 pp., 5½d.) deals with printing and book-binding; printing and publishing of newspapers and other periodicals; typefounding, stereotyping, engraving, and die-sinking; manufactured stationery; cardboard box; pen, pencil, and artists' materials; plate and jewellery; watch and clock; musical instrument; billiard table and sports requisites; toys and games; ivory, bone, horn, picture frame, and fancy articles; and photographic industries.

Part VIII. (Cd. 5621, 55 pp., 5½d.) contains particulars of factories and workshops for timber; furniture, house furnishings, and upholstery; wooden crates, cases, boxes, and trunks; brushes; coopering; baskets and wickerwork; fellmongery; saddlery, harness, and cart-gear; travelling bags and leather goods; canvas goods and sacks; india-rubber; cement; asbestos and boiler coverings; and wigs.

With the issue of Part IX. (Cd. 5813, 102 pp., 10d.) we are for the first time in possession of a fairly complete survey of British industry. This concluding volume contains information regarding the building and contracting trades, heating, ventilating, and sanitary engineering factories and workshops, slate quarries, limestone quarries, quarries other than slate, limestone, and iron quarries, miscellaneous factories and workshops, gas undertakings, waterworks undertakings, electricity undertakings, local authorities (England and Wales, Scotland and Ireland), canal, dock, harbour, and similar companies, tramway and light railway companies, his Majesty's naval establishments at home (buildings), his Majesty's Office of Works and Public Buildings, the Board of Public Works, Ireland, the Post Office (telegraph and telephone undertakings), and the National Telephone Company.

In addition, the report contains a short general summary of all trades

for the year under review. The value of the net output for the United Kingdom was £712 million, of which England and Wales accounted for £603 million, Scotland for £87 million, and Ireland for £22 million. The number of workers represented was about 7,000,000. These figures are subject to revision in the Final Report, but it is not anticipated that the alterations will be serious.

Millionaires on the look-out for an outlet for their superfluous wealth might do worse than turn their attention to some of our struggling universities. In the introduction to the *Reports for the Year 1909-10 from those Universities and University Colleges in Great Britain which participate in the Parliamentary Grant for University Colleges* (Cd. 5872, 749 pp., 3s. 2d.) complaint is made of the general apathy of the British public towards higher education as compared with other countries. For instance, it was with the greatest difficulty that the £70,000 required to provide new chemical laboratories at University College, London, was raised, while in Germany "within a year of its foundation the Kaiser Wilhelm Society for the promotion of Science in Germany had at its disposal a capital of half a million sterling, which is being devoted to the equipment of institutes at which men already eminent in their respective subjects will be installed. In France, Monsieur Auguste Loutreuil left a sum of £284,000 towards the promotion of science in that country. In the United States, Mr. Rockefeller handed over the sum of £764,000 to the Rockefeller Institute for Medical Research, which he had previously endowed with large sums." Of course there are cases of munificence in this country, such as Mr. Carnegie in Scotland, Lady Wantage and the Palmer family in Reading, Sir Francis Galton, Sir Julius Wernher, and Professor Bauerman in London, to mention only a few recent benefactions; but the fact remains that the available funds are far from being adequate to the pressing needs of these institutions. It is pointed out that local authorities rarely contribute their proper share towards the support of the university colleges. A notable exception is the Corporation of Newcastle, which has recently made an additional grant of £1500 a year for five years to Armstrong College, for the special purpose of developing the Faculty of Arts.

The institutions represented in the report are Birmingham, Bristol, Leeds, Liverpool, Manchester (Victoria), Sheffield, London, and Durham (Armstrong College, Newcastle) Universities, and Nottingham, Reading, Southampton (Hartley), Aberystwith, Bangor, Cardiff, and Dundee University Colleges.

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## REVIEWS.

**THE HISTORY OF TRADE UNIONISM.** By SIDNEY and BEATRICE WEBB. [lxviii, 558 pp. 8vo. 7s. 6d. net. Longmans. London, 1911.]

In a new preface of some fifty pages, written at the beginning of 1911, Mr. and Mrs. Webb look backwards over the sixteen years which have passed since first this book was published, and summarize the history and progress of Trade Unionism during those years. Naturally their eye is first attracted by what lies closest and bulks most largely—the Osborne judgment of 1909, to which they devote the first half of the new preface. It is, they consider, the series of legal decisions in Trade Union cases, which is of greatest importance in the history of Trade Unionism during the last two decades; and the last of these legal decisions is for them the most important, or at any rate the most revolutionary, of the series. So far, indeed, as the Osborne judgment, like the decision in the Taff Vale case, follows the trend of legal opinion in recognizing the real “corporateness” of Trade Unions, Mr. and Mrs. Webb have nothing to urge against the judgment. What they dislike (in common with many other thinkers) is the assumption of the judges that this corporateness is, in the first place, due to “particular creation” by an external authority, and is, in the second place, limited in its scope and action by a definition imposed by such an authority. The corporateness is spontaneous; the scope of its action may embrace all the objects and purposes, not being unlawful, that the subscribing members of a *de facto* corporation choose to promote. And in any case, Mr. and Mrs. Webb argue, the judges were guilty of bad history and even of bad law, when they interpreted the definition clause of the Act of 1876, which explains what is to be understood by the term “Trade Union,” as if it were an inclusive and exclusive specification of all the permissible activities and functions of Trade Unions.

So far many of us will be able to follow their guidance willingly and implicitly. But some of us may feel that while corporateness, self-developed corporateness, confers rights, it also imposes duties, and that this aspect of the theory deserves emphasis also—the more so

as it was so greatly ignored in the Trades Disputes Act of 1906. It is true indeed that on this particular point Mr. and Mrs. Webb are with us ; it is almost impossible, they say, for Parliament to prevent Trade Unions from being treated as what, in fact, they are—corporate bodies. But the doctrine of corporateness imposes still other duties than that of corporate liability for the acts of agents. It imposes on the corporate body the duty of acting within the limits and for the purposes of its own corporate being, and no further. After all, a corporate body cannot do whatever it wants to do, but only what it ought to do for its own corporate welfare. Liberty, for corporations as for individuals, is “the right to do what one ought to do and not to do what one ought not to do.” How far, then, is political activity one of the things which a corporate body like a Trade Union ought to pursue for the sake of its own welfare, and which the State can allow it to pursue because it is not incompatible with the general welfare ? For we must not forget the State in our zeal for Trade Unions. After all, it is the corporation of corporations, and the Trade Union, however important, is only one of those corporations.

A certain scope of political activity is indubitably germane and necessary to the realization of the purposes of Trade Unions ; a certain measure of such activity lies clearly within the scope of their corporate being. *Industrial Democracy* has taught us how the method of legal enactment is, and always has been, a regular method of Trade Union activity ; and it is obvious that the use of that method involves political funds and political activities. But there is a distinction between particular political activity designed to secure the use of this method, and a general political activity designed to affect the whole range of current politics. The one is within the range of the corporate being and its personality ; the other is not. The one can be permitted by the State with impunity, and, indeed, with profit ; the other, for reasons which it would take too much space to discuss here, is perhaps best not permitted by the State, whose interests it may, in more ways than one, imperil. And if this be so, it can hardly be left quite free to Trade Unions to settle for themselves which course they will adopt, as Mr. and Mrs. Webb suggest—though they have obviously great doubts “how far it is wise and prudent for a Trade Union to engage in general politics.” These doubts thicken as one reflects how easy it is for political activities to distract the attention of Trade Union leaders from the real and vital purpose of the Union, which are after all social and economical, and how easy again it is for Trade Unions which have entered into alliance with Socialistic organizations, as was done in 1900 when the Labour Party was formed, to lose something of their own identity through the alliance.

History makes itself quickly, and in the few months since Mr. and



Mrs. Webb wrote their preface strange and new things have happened in the world of Trade Unionism. One of the phenomena of this *annus mirabilis* which is not quite new, but has appeared and reappeared since, at any rate, 1909, is what Mr. and Mrs. Webb call "sectional rebellion." It might perhaps be called by a larger name—the revolt of the instinct of primary democracy and self-help against representation and leadership. What are the causes of this revolt and rebellion? We should gladly read anything on this question that Mr. and Mrs. Webb would write for our benefit. And a larger question arises. Are Trade Unions nowadays giving their members what their members really desire—which is, after all, a steady wage well on or above the margin of comfortable subsistence? Workmen do not always feel that they are. Prices rise; wages rise, indeed, but more slowly than prices; and the Union does not seem to avail much. Is Trade Unionism a less potent force among working men? Will it disappear before strike organizations improvised for the occasion, some of which have been so successful this summer? Mr. and Mrs. Webb give figures of the increase of the members and the funds of Trade Unions; but is there not another side of the matter?

ERNEST BARKER.

WORKING MEN'S INSURANCE IN EUROPE. By LEE K. FRANKEL and MILES M. DAWSON. [477 pp. 8vo. \$2.50. Charities Publication Committee. New York, 1910.]

The insurance of the working classes by State agency is becoming an increasingly pressing question in all countries of Europe, and it is not surprising that America, whose conditions have hitherto fostered a more individualistic economic policy, should now seek to profit by European experience.

With this end in view, a conscientious and detailed inquiry has been made into the various systems of such insurance, whether conducted by voluntary associations or completely under State control, in the chief countries of Europe; and the book before us is the result of this investigation. The authors have done their work with both impartiality and thoroughness. They do not disguise the fact that they are in sympathy with insurance for the worker, but they examine each argument and each system on its own merits, without attempting to urge any special scheme, but merely leaving experience to teach its own lesson.

The subject is clearly divided according to the disability against which insurance is desired; and in each case there is first a general

description, then a separate account of the different systems on the Continent. This method involves some repetition, but it produces convenient matter for study, and at the same time it makes the introductory chapters more readable, since they are not loaded with statistics. The book cannot fail to be a useful guide to the subject, though the reader must not expect a wide economic outlook nor a grasp of causes and effects beyond the immediate scope of the inquiry.

The first kind of insurance treated is that against industrial accidents. Here two principles are involved—the liability of employers for accidents due to their own fault, and the compensation of workmen as a part of “social justice,” without regard to negligence. The growth of these ideas, more especially of the latter, is carefully traced, with the result that there seems to be a tendency to compulsory insurance, over and above the general recognition of employers’ liability. The conclusion is that this State responsibility would raise the standard of efficiency; that there might be less advertisement, less risk, less litigation, while more study should be given to the prevention of accidents.

Insurance against illness and death has had a longer history, and presents even greater difficulties. It has been undertaken by voluntary societies for many years, but these have gradually come under State control by various means of Government recognition—made necessary by the danger of insolvency and consequent disaster. The authors consider that this gradual recognition means a transition from voluntary association to some obligatory scheme, in which Great Britain is now leading the way. But, in making this suggestion, they ignore all ulterior effects, such as those on the medical profession or on small employers; and merely regard the immediate advantage of the workers. This is not enough, even from the workers’ point of view, who may lose more than they gain, by any system which increases unemployment or checks the development of science and capital. The principle of relieving the poor from the burden of sickness is one which meets general approval; and this approval has been shown by the work of general hospitals and friendly societies, above the level of poor law relief, as well as by the preventive work of sanitary authorities. The problem now remains how to fit these various agencies into one scheme; and here the authors do not help us. They urge maternity benefit, and comment upon the difficulties of funeral insurance in a more general sense; then they pass on to insurance of invalidity and old age.

This kind of insurance presses hard upon voluntary associations, especially now that invalidity, under the present view of State responsibility, includes all forms of disability whether or not due to

industrial occupation. The disability due to old age can be taken separately, and has long been a matter for insurance. Employers' old age pension schemes have often been resented by their workpeople as a burden and as a check on the mobility of labour, but they have paved the way for various national systems now in use. Here the question arises as to whether the beneficiaries should or should not directly contribute to the old age annuity, a question already answered in the negative by British legislation. The authors discuss the possibility of diminution of thrift, the danger of fraud, with other practical difficulties; but they do not venture to suggest a connexion between old age pensions and the poor law; and the subject closes with facts concerning pensions for widows and civil servants.

The last industrial disability needing insurance is unemployment, a question of vital importance to the individual and to the State, but one not so likely to appeal to employers as a separate class; while experience can as yet offer little help in the matter. The economic difficulty is here indicated rather than discussed, and proposed legislation in Great Britain is regarded as a bold attempt at the solution of the problem. It is true that insurance is but one among many proposed remedies for the evil of unemployment, and cannot be profitably applied without a study of that evil as a whole.

Having thus viewed industrial insurance in its separate applications, as it is practised in the various countries of Europe, the authors add a chapter on proposed complete systems, which should include all kinds of disability. Germany has led the way in this respect, but it is hinted that the ideas of Germany, comprehensive and effectual as they are, could not be assimilated by America without some modification. The individualistic spirit of America must be captured by some cognate idea, such as the sense of "willing obligation allied with liberty," since the conception of compulsion is totally uncongenial.

After some further particulars concerning recent discussions in Germany and Austria, the book ends with additional tables of statistics, bibliography, and index. Few will disagree with the general conclusions of this patient investigation. Industrial insurance is needed, and it should be part of one scheme, to some degree recognized and aided by the State. But some omissions mar the usefulness of the book. Thus the vexed question of the poor law is hardly mentioned, though surely any such scheme should be a super-structure based upon State relief of destitution. It is all a form of "public assistance" in a greater or less degree, and the avoidance of the poor law in every new scheme for social improvement makes reform more and more difficult.

The authors do not only ignore the destitute classes, but they also neglect all classes except manual workers. Their attention is so closely

fixed upon industrial workers that the interests of others are entirely overlooked; yet these again must re-act upon those of the labourers themselves, and should be considered, if only for that reason. It is doubtless presupposed that the increased efficiency of the labourer will repay the employer; but this is by no means guaranteed in many of the schemes under consideration; and meanwhile, where the burden is shifted from the employing class, it tends to fall upon that class which has "high standards of life in everything except luxuries." Until social reformers can recognize that class, in its silent toil, their work must remain relatively unfruitful.

M. W. MIDDLETON.

THE PROVINCE OF THE STATE. By Sir ROLAND K. WILSON, Bart. [xxi, 321 pp. 8vo. King. London, 1911.]

This book has three distinct merits: it is courageous in its advocacy of a scheme of political reform in flagrant contradiction to prevailing opinions; it is temperate and courteous to opponents; it is the outcome of much patient thought and study. On the other hand, I cannot but judge it academical and doctrinaire.

The State should be, according to the author, simply a great justice-enforcing institution. In consequence he condemns State-provided education, and the whole modern tendency towards making the community responsible for the lives and welfare of the citizens beyond the mere prevention of force and fraud. "State education," he writes, "carries with it almost of necessity the whole creed of Collectivism" (p. 84). But he cleverly deduces a good many of existing public institutions and activities as natural consequences of the duty of enforcing justice. Armaments are requisite for the prevention of injustice by foreigners. Public roads are needed for the transport of armed forces. A public postal service is needed for the communications of the Government in its work of maintaining justice. Standardization of weights and measures, statistical inquiries, land-surveying, and even scientific research are found to be proper public functions. And there can be no objection to the State allowing the citizens to use the roads and post-office, as it may make some profit for itself in that way. A poor-law is a necessary public institution, since the destitute if left to themselves would be a danger to property. In one respect, the State should do more for its members than it does: civil justice should be provided at the public expense.

But along with this individualism is a frank acceptance of the doctrine of Henry George. Land, except as regards its value due to cultivation, naturally belongs to no one, and therefore should belong

to the State. The author would expropriate the present landlords "with due but not excessive regard for vested interests." But the State might also fairly appropriate all possessions upon the death of the owners, the only limit to its doing so being the likelihood that such a course would lead to the possessions being given away before death. Heavy death-duties are the practical outcome.

Two lines of criticism suggest themselves. In the first place, the author has made no analysis of justice. Injustice to him is practically equivalent to the direct exercise of physical force of one person upon another, and breach of legal obligation. But the social unrest of to-day is due largely to a deep sense of injustice in that the industrial organization is such as to prevent for many the fulfilment of man's natural capacities of life. The unskilled labourer compelled to accept wages below the normal subsistence level, and his children unable in consequence to obtain the food and housing requisite for growing up healthy and strong, are as much victims of injustice as the traveller robbed by highwaymen—more so, in fact.

In the second place, to erect such a criterion of what the State ought and ought not to do and be, is to ignore the natural organic growth of the community. The modern increasingly collectivist State is a product of the growing humane spirit of civilized man in the face of the evils and the possibilities for good in the industrialism created by natural science. This spirit finds State institutions the readiest instruments for the fulfilment of its purposes. A later stage of civilization may conceivably involve the dissociation of institutions for enforcing justice from institutions for providing means to human development; but to demand this dissociation now is to seek to compel humanity to methods of social service for which they have not yet acquired the faculty.

FREDERICK A. M. SPENCER.

**THE PURCHASING POWER OF MONEY.** The Determination and Relation to Credit, Interest and Crises. By IRVING FISHER, assisted by H. G. BROWN. [xxii, 505 pp. 8vo. 12s. 6d. net. Macmillan. New York, 1911.]

"The purpose of this book," the author says in the preface, "is to set forth the principles determining the purchasing power of money, and to apply those principles to the study of historical changes in that purchasing power, including in particular the recent change in the cost of living, which has aroused world-wide discussion."

The level of prices depends exclusively on five factors:—(1) the volume of money in circulation; (2) its velocity of circulation; (3) the volume of bank deposits subject to check; (4) its velocity; and

(5) the volume of trade. Prices rise with an increase of money, of deposits, or with a proportionate increase of deposits to money, or with an increased velocity of circulation. An increase in the volume of trade tends not only to decrease prices, but also to increase velocities and deposits relatively to money, and through them to neutralize partly, or wholly, the said decrease in prices. The price level is the effect, and cannot be the cause, of change in other factors.

The problems are, first, how to secure justice to both the borrower and lender by securing the stability of the purchasing power of money; and secondly, how to prevent financial crises.

With regard to the first, the author says that the present alternate abnormal encouragement and discouragement of loans would be prevented by the adoption of a "tabular standard" for deferred payments; and his only important objection to the recommendations of the British Association for the Advancement of Science is that it employs the objectionable fixed base system for calculating the index number, instead of the chain system which would compare the price level of each year with that of the preceding year.

With regard to the prevention of financial crises, his theory is that they are due to the tardiness of the rate of interest to adjust itself to the change in prices. Inflation of currency in one country tends to raise the world price level. Currency should be regulated by the rate of exchange, contracted by selling foreign bills, and locking up the currency therefor, and expanded by releasing this to circulation, or by coining more. If the tabular standard combined with this gold exchange standard were generally adopted, the price level would be controllable.

Whether or not all the theories are sound, the book is to be thoroughly recommended. It popularizes a difficult subject. It presupposes no great knowledge either of economics or mathematics. The mathematical data are collected together into 144 pages of appendices so as not to hinder the argument. The summaries at the ends of the chapters are useful; and the illustrations would be more so if the figures and lettering were more legible. Even those who differ in opinion will probably admit that the book is suggestive and stimulating rather than dangerous, for the statements are so clear that even a careless reader can scarcely adopt them unawares.

M. M. BOLDERO.

BOY LABOUR AND APPRENTICESHIP. By REGINALD A. BRAY.  
[247 pp. 8vo. 5s. net. Constable. London, 1911.]

The nineteenth century has been called the children's century; if this be so, then assuredly the twentieth century will be the century

of youth. The last hundred years has seen the age below which supervision and regulation were regarded as necessary steadily raised ; and though there is still much to be done in the matter of establishing and enforcing a decent minimum standard of child life, yet remarkable progress has been made. Attention is now being directed more and more to the fateful years of adolescence, and broadly the work of to-day would appear to be the extension of the care and supervision given to children to the " young person " and juvenile worker. In his book on *The Town Child*, Mr. Bray was more particularly concerned with the school child ; his new work is primarily devoted to the juvenile and young person in industry. In *Boy Labour and Apprenticeship* the author deals more thoroughly and more extensively with matters raised in his articles on " The Apprenticeship Question " (*Economic Journal*, September, 1909), and " Apprenticeship, Old and New " (*Local Government Review*, January, 1910).

In order to clear the ground at the start, Mr. Bray lays down the conditions which must be satisfied by an Apprenticeship System worthy of the name. " First, it must provide for the adequate supervision of boys until they reach at the least the age of eighteen. . . . Such supervision must have respect both to his conduct and to his physical development." " Secondly, an apprenticeship system must offer full opportunities of training, both general and special—the training of the citizen and the training of the worker. And lastly, it must lead forward to some opening in the ranks of adult labour, for which definite preparation has been made, and in which good character may find reasonable prospects of permanent employment." There is added the warning that " an apprenticeship system was not to be regarded as a means of entering a skilled trade," but must be utilized for all, irrespective of the occupation followed. In view of the enormous mass of evidence placed before official inquiries concerned wholly or in part with the problems of Mr. Bray's books, there will be few who will disagree with these three essentials—supervision, training, opening. The second chapter is devoted to an historical treatment of apprenticeship, and is both clear and concise. On the other hand, Chapter III. on the age of reconstruction, suffers from over-compression and lacks concreteness.

A chapter is devoted to " the guardianship of the State " under three headings : supervision, training, opening. The first section gives an excellent account of the State regulation of employed juveniles, summarizing the provisions of the main statutes. This is considered as mere passive supervision, and a paragraph follows dealing with State Enterprise (*i.e.* the State as active guardian of the child), and reviewing the main provisions of the Children Act, the Education

(Administrative Provisions) Act, the Education (Provision of Meals) Act, etc. Under the heading of State Training, the importance of the Elementary School and the Continuation School is discussed, and their defects and limitations indicated, following which comes a very slight treatment of the Labour Exchange, under the section devoted to the State provision of an opening.

Mr. Bray's next step is to turn to a consideration of the extent to which the three essential conditions of apprenticeship are found in the modern industrial world. It does not require much effort to show that they are almost non-existent, and that many serious evils have arisen as a consequence. In a final chapter, the author points out the line of reform, under the title of "The New Apprenticeship." After showing the futility of expecting voluntary organizations and voluntary action amongst employers to touch more than the fringe of the problem, Mr. Bray proceeds by illustration and argument to drive home his constructive proposals, (1) the raising of the school-leaving age to fifteen, and the abolition of the privileges of exemption and the powers of local option; (2) the total prohibition of child labour (*i.e.* the labour of those under fifteen); and (3) the introduction of a new half-time system by the establishment of compulsory day continuation schools for those between fifteen and eighteen years of age. These measures will provide for supervision and training; the provision of an opening in the ranks of adult labour being considered as the function of the Labour Exchanges and their After Care Committees. On the whole, the book stands as the best account yet published of the problems of boy labour; and its convincing advocacy of the new Apprenticeship through the reforms suggested above should deal still another heavy blow at the industrial exploitation of juveniles, and the evils surrounding their employment.

In giving the book its full meed of praise, it is not necessary to condone its shortcomings or defend its errors. Mr. Bray, from a statement on page 68, is apparently in agreement with the criticism by employers of the *methods* of instruction in trade schools. This, however, is just one of the small points of which notice must be taken in utilizing the valuable services of the masters. The employer has no more right and no more qualifications to criticize methods of instruction, than a trade school teacher has to criticize an employer's methods of running a factory. Nor should an Advisory Committee be expected or allowed to determine the curriculum of a trade school, except in consultation with those who are responsible for the instruction in the various subjects. With the extension of trade schools, these Advisory Committees will become important bodies, but the success of the schools will be jeopardized by any interference in purely professional matters, with which as laymen they cannot be conversant.



A more serious defect in the book is the author's statement as to the origin of Juvenile Labour Exchanges. According to Mr. Bray, "in the year 1910 the State, without premeditation, has found itself committed to the duty of finding openings for children and juveniles." "The Act of 1909 thought nothing, said nothing, about juveniles." It is surely a mis-statement to suggest that the Board of Trade were unconscious, when the Labour Exchanges were established, that they would be used by juveniles as well as adults. The opening of the Exchanges dates from the beginning of February, 1910. On February 7, special rules with regard to the registration of juvenile applicants were issued. The agitation of Mrs. Ogilvy Gordon and others had done something to push the question of juvenile bureaux to the front, and though it may be exaggerated, yet, at any rate, the notion that the formation of juvenile departments of the State Exchanges was due to blind chance, is erroneous. Mr. Bray gives but scant treatment to the work of the Exchanges. Opened originally in February, 1910, and increasing in number steadily ever since, they had been in operation, when his book was published, for a period of nearly a year and three-quarters. The monthly returns published in the Board of Trade *Labour Gazette* furnish much valuable matter, and certainly indicate that as regards juveniles the Exchanges are filling a far from negligible proportion of the whole number of juvenile vacancies. On p. 224 it is said that the Board of Trade "is forming local advisory Committees in connexion with each Labour Exchange." This was true for 1910, but is only partially true for 1911, as the joint Memorandum issued on January 3, 1911, and signed by Mr. Buxton and Mr. Runciman, states that "the Board of Trade do not propose to take any steps for the establishment of Special Advisory Committees, until after the 31st December, 1911, except in the event of the Local Education Authority passing a formal resolution to the effect that they do not propose to exercise their powers under the Choice of Employment Act." Thus the Advisory Committees at present being formed are those established by local authorities, except where the latter refuse to do so (*e.g.*, Exeter).

Moreover, in support of this theory that the Labour Exchanges were originally meant only for adults, Mr. Bray says, "There is no problem of unemployment in connexion with boys and youths; the demand of employers for this kind of labour appears insatiable." A glance at the Labour Exchange statistics shows that at the end of each month, there are several thousand boys (and girls) remaining on the register, the vast majority of whom are certainly unemployed. The numbers for August, 1911, were 6182 boys (and 4487 girls); for September, 5848 boys (and 4469 girls); and for October 5318 boys

(and 4145 girls). The existence of unemployment amongst boys has recently been pointed out by Messrs. Rowntree and Lasker in *Unemployment*. There is consequently a problem of juvenile unemployment, which is none the less important because it is very often voluntary and usually for short periods, for it is in many cases fairly frequent. Mr. Bray, however, appears to imply that there is no problem of unemployment because the demand for boy labour is greater than the supply. This is a common assumption, the truth of which may be questioned. The statistics of the juvenile exchanges seem to indicate that the demand for boy labour varies very considerably from place to place, depending upon the nature of the predominant industries. It is, of course, well known that the proportion of juveniles to adults employed in different trades differs widely, and consequently the capacity to absorb juveniles differs accordingly. As a result, therefore, certain towns have a definite shortage of boy labour, whilst others have a relative surplus.

The following misprints have been noticed:—p. 6, bottom line, "identure" for "indenture"; p. 9, note 3, "Abiam" for "Abram"; p. 66, line 4, "school" for "schools"; p. 154, note 2, "Consultation" for "Consultative"; p. 226, line 18, "case" for "care."

ARTHUR GREENWOOD.

**JUVENILE LABOUR EXCHANGES AND AFTER CARE.** By ARTHUR GREENWOOD, Head of the Economics Department, Huddersfield Technical College. With an Introduction by SIDNEY WEBB, LL.B. [xi, 112 pp. 8vo. 1s. net. King. London, 1911.]

Both in form and substance this little book is an example of the way in which to approach its subject. The author has a sound practical knowledge, and deals with it as a problem of organization, and not of individuals. What may be called the theory of "universal deliberate exploitation" marks normally the division between the well and the ill-informed, though there are exceptions. It is conspicuously absent here. The arrangement of matter is likewise good, the subject being divided into four chapters on the Problem, Present Activity, the Juvenile Labour Exchange, and After Care.

The problem in the author's view has two phases, arising out of the decay of Apprenticeship, and the growth of essentially boy and girl occupations, respectively. His views as to the former appear to me to depend too much on the experience of London and the textile towns. The old formal apprenticeship, indeed, may be largely obsolete, and to a great extent no single system has replaced it; but the need remains for definite organized methods of teaching the skilled trades. The

problem, then, is still a double one—that of training the skilled worker, and that of the general organization of boy and girl labour. Of this latter, essentially juvenile occupations form the most prominent element, but often “it is not the occupation itself which is at fault, but the conditions under which it is followed.” Again, the tendency of certain jobs to produce juvenile crime is as much a matter of lack of organization and continuous change of employment as of their undesirable character *per se*.

The second chapter contains an acute criticism of existing efforts. It deals in turn with School Attendance and Partial Exemption, Attendance at Evening Schools, some Juvenile Advisory and Employment Schemes, and Voluntary Agencies; and a large amount of information is given very concisely. Two points are open to question. The author's criticisms are at times over-severe, as in his condemnation of separate offices for juvenile and adult registration. He fails to allow for the danger which arises from the mixing of the juvenile with the inferior type of adult applicants, whilst the convenience of the employer can be met, as at Birmingham, by the use of a single telephone number.

For the future the Juvenile Labour Exchange and After Care must form parts of a single scheme. On two very controversial points the author favours the vesting of control in the Board of Trade with ample representation of the Education Authorities and compulsory notification of all jobs filled otherwise than through the Exchanges. It is doubtful, however, if the division of the latter into two separate Registration and Intelligence Departments—the second under an officer of the Education Authority—will be altogether advisable. For the whole connexion is so close that the London method of a joint committee representative of both authorities is to be preferred. Apart from this and one or two minor points, however, the scheme and its individual proposals are generally admirable. Especially noteworthy are the suggested lists of expanding trades, and the classification of occupations into physical, manual, and mental, according to the efforts demanded. This last proposal is already being carried out in some places.

In the work of After Care, Mr. Greenwood appears to attach more importance to the organization provided by a Central Committee than to the work of the Committees for individual schools; but the latter is in no sense under-estimated. The duty of the former will consist of the development and co-ordination of all the various agencies that affect adolescent life, whether these be educational or social, or like the Physical Training Classes deal with bodily health. It will further provide an information bureau for the individual worker, who will thus be more competent to do the work of recruiting boys for them. This work is urgently needed, and the treatment of it is admirable,

though whether the work shall be done by a special After Care Committee, independent of the Employment Committee, is a matter for argument. The chapter is full of interesting and suggestive proposals, notably for subventions of public money in aid of Physical Training Classes and of various social agencies, for schools for unemployed juveniles, and, a point insisted on again and again, for the migration of boys from towns with a surplus, to those with a deficiency, of boy labour. The concluding chapter is an excellent summary of the whole scheme, the appendices are well chosen, and Mr. Sidney Webb's preface is most interesting.

N. B. DEARLE.

**DISTURBING ELEMENTS IN THE STUDY AND TEACHING OF POLITICAL ECONOMY.** By JAMES BONAR. [145 pp. Crown 8vo. \$1. Johns Hopkins Press. Baltimore, 1911.]

This small book consists of five lectures delivered at Baltimore, and here published with a few additional notes and comments. It marks an attempt to examine those errors which creep into the study of economics, owing to its association with kindred subjects. In this case, these are less the popular fallacies which have often been demonstrated, than those more subtle causes of misunderstanding which assail the student.

It is as necessary to investigate these disturbing influences in economic reasoning, as to point out the more obvious economic pitfalls of daily life; but it cannot be said that the author has done so with complete success. The book lacks sequence and unity of idea; while the method is not such as to make the subject clearer. There is a series of allusions to well-known authors, and in this mass of evidence the thread of argument is often lost. This is especially the case in the first two lectures, which deal respectively with the effect of the famous watchwords, "Liberty, Equality, Fraternity," upon economic theory; and with the foundation of government upon public opinion. In these lectures, a want of grasp is shown in the mention of subject-races, and in that of the individualistic tendency, which proves that the author is unable to put these questions in a clear light.

The third lecture, on the relation between economic theory and practice, is more enlightening; and the separate parts taken by academic and experimental workers are clearly indicated. The next lecture deals with the use of metaphors, though its title—"Figures can prove Anything"—might well stand for the misuse of statistics! Here the author traces the effect of biology and other sciences upon economics, and gives a much-needed warning against transferring to economics the terms used in ethics. This transference of terms, and therefore of

ideas, is the key-note of the whole subject, and should form a centre, round which all the parts of that subject might well be grouped.

The last lecture descends from these subtler questions of philosophy to the more common error shown in the words "in the long run"; and the author is successful in proving the ambiguity of this and similar expressions. They are, in fact, used for an avoidance of difficulties, instead of as a clear statement of the time-factor in the occurrence of economic phenomena.

There is much that is suggestive in these lectures; but the deeper questions involved need more sustained treatment. Some minor points are, however, well explained, though the desired clearness of thought is not fully attained.

M. W. MIDDLETON.

LA CRISE ANGLAISE. By PHILIPPE MILLET. [x, 291 pp. 8vo. 3 fr. 50. Colin. Paris, 1910.]

This is an exceptionally well-informed book on English politics. The writer took part in the General Election of January last, and gives us some admirable sketches of what he saw. He was much impressed by the selfishness of the English voter, and herein he thinks lies one of the chief dangers of our democracy. It is incapable of thinking imperially, or even nationally. Arguments for national defence, he tells us, had to be reinforced by the consideration of the employment that it would cause. The agricultural problem did not appeal to the dwellers in towns. India and the Colonies interested hardly any one. Another national characteristic, and one that is perhaps inconsistent with this, is the calmness of the crowds which, though made up of all parties, could jostle one another night after night with perfect good humour. "Il n'y a que les Anglais (demandez-le aux Américains) pour apprécier un jeu où la partie est toujours interrompue au moment le plus palpitant. Seuls, ils sont également capables de supporter pendant deux semaines la tension nerveuse d'une crise électorale, sans perdre le sommeil et sans éprouver l'envie d'écraser le nez du voisin."

The next section of the book is devoted to the problem of the House of Lords. M. Millet relates the stages which brought the question to a head. One remark which he makes is undoubtedly false in its implications, if not in the facts. The Licensing Bill rejected by the Lords was, he said, opposed by the English Church because it would ruin the drink trade from which the Church draws some of its revenues. The only conceivable justification for this statement can be that the Ecclesiastical Commissioners hold some brewery shares. If so, they paid the market price for them, and might object to the market value being

depreciated by legislation. Nor is it quite true to say that the House of Lords has "always been hostile to schismatics." In the reign of Charles II., for instance, it was the House of Lords that was in favour of the Dissenters and of the Declaration of Indulgence, while the House of Commons was unyielding. But apart from these minor blemishes, which are not unnatural in a French spectator, the author shows a surprising knowledge both of the facts and literature of the political situation.

Other essays deal with the Budget, Agricultural Depression, and with Tariff Reform. M. Millet is in favour of the taxation of land values in towns, since land not only has a monopoly value, but also is a necessity. He points out that more drastic taxes of the same kind are already in existence in the Colonies. With regard to agricultural land, however, the case is different. Rents are here very low, and yield a very modest return on the capital. One instance is given, which the writer says he verified on the spot, of an estate bought in 1880 for £176,000, and which gives a net income of £520, or about  $\frac{1}{3}$  per cent. ! Accordingly, he desires to see something done to restore English agriculture, though he is aware that it can never regain its former prosperity, nor can England ever produce enough to feed its own population.

"Une fois ramenée, la terre jouerait dans la vie de l'Angleterre le rôle d'un modérateur. Comme aux Etats-Unis, comme en France, elle offrirait, en temps de crise industrielle, un asile aux capitaux et un emploi aux bras inoccupés ; la nation entière ne serait plus à la merci d'une baisse dans le coton ou l'acier. On verrait diminuer la nervosité que le peuple anglais doit aujourd'hui à son activité exclusivement commerciale. L'Angleterre moderne est menacée de neurasthénie. Le renouveau de la vie rurale la guérirait de ses malaises en lui rendant la jeunesse et l'élasticité."

The last essay is concerned with Tariff Reform, of which the writer approves. Free trade in England, he thinks, is a religion. It stands only because it is too sacred to be touched. The reasons which made it advisable once hold good no longer. This is not the place to enter upon a discussion of this well-worn theme, but it would seem that M. Millet has not sufficiently considered the chief argument of the Free Trader that we have full employment for all our hands and factories in good times. Also he does not notice the contention that comparison with Germany and the United States is misleading because of their vast areas and material resources. M. Millet's book however is, on the whole, a very timely one, which is worth reading, not only by his compatriots, for whom it is in the first instance intended, but by many Englishmen also.

LAWRENCE PHILLIPS.

THE CONSTITUTION AND FINANCE OF ENGLISH, SCOTTISH, AND IRISH JOINT-STOCK COMPANIES TO 1720. By W. R. SCOTT, M.A., D.Phil., Litt.D., Lecturer in Political Economy in the University of St. Andrews. Vol. III. [xii. 563 pp. 8vo. 18s. net. University Press. Cambridge, 1911.]

A brief notice of the second volume of this work (which came out before the publication of the first volume) appeared in the number of this *Review* for July. Part II. of the entire work is now completed. A considerable amount of attention is paid to the foundation and early history of the Banks of England and Scotland, and to the career of the South Sea Company and its working partnership with the Walpole Cabinet for relieving the Government of a great part of the national debt. The methods by which this scheme was pushed through the House of Commons by crediting influential legislators with imaginary stock in the company for which nothing was paid are described at some length. A committee of directors was appointed to see the company's bill through Parliament, and they spent over a million sterling in smoothing its passage. When the crash was succeeded by a parliamentary inquiry, the estates of thirty-five persons implicated in the transaction, including the Chancellor of the Exchequer, were confiscated. The story is told in considerable detail by Professor Scott.

Not the least valuable portion of the work is a supplementary section upon the national finances and the Crown's relation to them from 1553 to the establishment of the Bank of England. At the earlier date the outstanding national debt stood at £186,634, and the author puts the ordinary revenue during Mary I.'s reign at about £200,000. Thirty-four pages are taken up with tables of receipts and expenditure at various dates in the reigns of Elizabeth, Charles I., Charles II., James II., and William and Mary. Among sources of revenue in 1686 were "sale of farthings, £5,500," and "baronets, £1,095." Customs, excise, first-fruits and tenths, and the post-office brought in together £1,709,334. Of the expenditure, more than a twentieth is in some years credited to secret service.

Altogether, a study of these tables throws a curious light on the administration of the nation's finances during the later Stuart period.

C. H. D'E. LEPPINGTON.

LE PETIT COMMERCE FRANÇAIS. Par ET. MARTIN SAINT-LÉON. [xii, 290 pp. 12mo. 2 francs. Lecoffre. Paris, 1911.]

Foreign statesmen and political economists have their thoughts very much occupied at present with questions affecting what is abroad called "middle-class" trade and industry, and its chances of survival between

the upper millstone of large business enterprises and the nether of co-operative stores. M. Saint-Léon's subtitle of "*La lutte pour la vie*" clearly indicates the apprehensions which have led the author—who, thanks to his office of Librarian in the *Musée Social*, is in an admirable position for undertaking the work—to set out upon his investigation of the present condition of small commerce in France. M. Saint-Léon's inquiry must have reassured him. Like threatened men, such industry has a good deal of life in it still, and may be said, after the first great onset made upon it by its capitalist competitors, to have strengthened its position and to be at several points once more gaining upon its rivals. The little book is full of interesting information upon its subject. Its author has spared no pains to get at facts. One of the points dealt with with particular care is that of credit—that embarrassing credit, which unfortunately has still to be given by tradesmen to customers, and is accountable for so much loss; and that other form of credit which gives them access to borrowed money. The latter point is of special interest, now that a Government inquiry is in progress with a view to extorting more money from the Bank of France to deal out in improvident and demoralizing doles to small tradesmen, small dealers, and to co-operative Productive Societies which in France look far too much to extraneous assistance. The pity is that in its industrial application co-operative credit has only been very partially successful in France. However, opening the flood-gates of State assistance is not the way to make it thrive better.

HENRY W. WOLFF.

THE APPLICATION OF LOGIC. By ALFRED SIDGWICK. [ix. 321 pp. 8vo. 5s. net. Macmillan. London, 1910.]

"This book," says the writer in the preface, "attempts to state with a minimum of technicality the logical doctrines that remain when we discard those parts of the traditional logic which are misleading in application." Mr. Sidgwick's main object is to show the errors involved in the application of the simplified and more or less abstract formulas of logic to the concrete facts of life. This element of error has, of course, long been recognized, but Mr. Sidgwick has much to say that is fresh, and he is particularly apt in his illustrations.

The same criticism applies to logic as to the old abstract Political Economy. Perhaps the reaction in the latter case has proceeded far enough. In the case of logic there is still room for more caution than is usually employed in stating logical rules as applicable to particular problems. In some instances such as the author quotes the danger of fallacy is now recognized even in elementary books. Thus we all know



that an apparent cause may really be an effect, as when the high rent of a Bond Street shop is taken to be the cause of the high prices of the things sold there. We are also sufficiently on our guard against the errors connected with Mill's "Methods." Thus we know enough to be on the look out for the hidden factor, which may invalidate the Method of Difference, as when we blow on a watch for a child, when it is not the obvious "difference," the blowing, but the unnoticed pressure on the spring which produces the effect. Such fallacies are easy of detection. A more subtle point is that a fact may rightly be described at one time under one heading, and at another under an opposite one. Thus a thermos flask strictly is a hot-water bottle, and yet a person wanting a foot-warmer would find the description false. "In the reasonings of the 'illogical' there is often an unconscious recognition of real defects of language which logic is restrained from admitting. In ordinary life we are compelled to recognize that 'circumstances alter cases,' and that a thing can be strictly A and yet virtually not A, to an extent that formal logic does not and (on its principles) cannot officially recognize."

All this may seem rather remote from the subject-matter of an economic journal. But logic has something to teach to the students of all sciences. Here is an instance of the author's method in relation to a purely economic question. "Take, for example, the principle of communism, that the greatest possible 'equality' is the chief thing to be desired. Could anything be simpler or more attractive—until we happen to ask what 'equality' is? As Rae says: 'Is it equality when each man gets a coat of the same size, or is it not rather when each man gets a coat that fits him?'"

LAWRENCE PHILLIPS.

THE ART OF LIVING. By DR. W. FOERSTER. Translated by ETHEL PEEK. [217 pp. Cr. 8vo. 2s. 6d. net. Dent. London, 1910.]

This is a collection of illustrations for the use of teachers in giving "moral lessons," of the same kind as Mr. F. J. Gould's various books, though distinctly inferior in quality. It has no particular relevance to the study of economics, though it may be thought to have some interest for the members of a union which claims to apply the Christian ideal to current social practice.

The following extract will serve as a sample of the contents of the book: "Take a tiny match in your hand and let us see if we can find out how many people in how many different countries have helped to make it. The pine woods of Sweden gave the wood of the match; from the warm countries came the gum to paint the head of it; while the sulphur,

with which the phosphorus makes the head so combustible, came from the Sicilian mines, and the phosphorus itself is kept by the chemist in the laboratory. If I tell you the sad story of the boys in the Sicilian sulphur mines, and how often they lose their health through this work, can you then light your lamps and raise your food to your mouth, saying, 'It is nothing to do with us'? No. Those boys are with you; you are enjoying a part of their lives. They are the inmates of your house, and deserve that you should have kindly feelings for them in your heart. It is true that it may not help them much directly, but by being thoughtful in this way you will not become indifferent. You may learn to become sympathetic and realize how all the people on the earth are bound up together, and your example may spread and the long reign of indifference to all except those immediately around us will gradually cease. So that the day will come when love for our fellow-creatures will have grown so strong and enlightened that no one will be able to enjoy anything that has been produced by others suffering misery and want."

LAWRENCE PHILLIPS.

THE TEN REPUBLICS. By ROBERT P. PORTER. [ix, 292 pp. Crown 8vo. 2s. 6d. Routledge. London, 1911.]

It would be difficult for a book dealing with the affairs of South America to be other than romantic and absorbing. Mr. Porter is well qualified to write of those Latin republics which are so little known in England, despite their established and growing importance in the commerce and politics of the world. Though the book is intended to deal chiefly with economic development, it is no mere collection of trade figures or financial terms; and although it is extremely short, the author has inserted a wealth of interesting information about the history, the geography and the civilization of the various states.

Such a medley makes fascinating reading. For instance, the earlier chapters are full of touches that picture the glamour and the squalor of the old days of Spanish Empire, and the almost unceasing warfare that ensued on the liberation of the colonies. Again, there can be comparatively few in this country who realize the high standard of educational facilities offered, for instance, in Bolivia, or the triumph of science over the mosquito in Rio and Panama, places but lately reeking with fever. Even the facts of commercial progress are told in the same interesting manner. The reader passes without a moment of boredom from the great railway system of Argentina and the engineering feats in the mountains to the colossal over-seas trade of that country and Brazil; then to the future-awaiting mines in the Andes and the vast hinterland in

the centre of the continent. The importance of the Panama Canal is, of course, obvious. Mr. Porter gives a number of figures showing the vast alterations in trade routes, and therefore in national trade advantages that will be effected by that gigantic scheme.

Yet after an examination of the startling development of these republics, it is impossible not to regret the vices that seem to follow on an increase of wealth. In the chapter on Argentina occurs the sentence, "Its people are frankly and entirely concerned in the pursuit or the enjoyment of wealth, caring but little how they are governed and regarding politics with indifference, so long as it rains." The old story of reckless wealth and attendant poverty will evidently be told of South America.

R. LAFFAN.

INDIA AND THE GOLD STANDARD. By H. F. HOWARD. [143 pp. Cr. 8vo. 6s. net. Thacker. London, 1911.]

Notwithstanding that great attraction which the abstract has for some minds, it is, in general, the business of the market-place which calls forth the best and most varied work. And this is well illustrated by the progress of Political Economy in its various branches. Thus, despite the contempt with which various professors of that science greeted the recent revival of popular interest in England with regard to fiscal policy, that very popularity has called forth studies such as that of Professor Pigou on *Protective and Preferential Import Duties*, or of Professor Marshall on the *Fiscal Policy of International Trade*. Similarly with regard to the theory of money. Of recent years this subject has not been much before the English public, interest therein has waned, and the output of literature and somewhat poor literature at that, has been confined almost entirely to the Banking journals. In America, on the other hand, where questions of monetary theory have been of vital political importance for many years, the literature of the subject is enormous, and contains work of great importance and interest. In India, also, monetary problems have long been in the forefront of practical politics, and have attracted the literary attention of many Anglo-Indians. Among the Indian officials of the "eighties," whose pecuniary interests were involved in every rise or fall of the price of silver, all the questions involved in the bimetallic controversy were familiar subjects of discussion. After the closure of the mints in 1893, dwellers in India were brought into contact with what is perhaps the most daring and most successful experiment in monetary legislation which the world has ever seen; an experiment, moreover, which in its general development has still further and still more interesting possibilities.

Living in this atmosphere it is only natural that the Indian official and man of business should tend to turn his attention to the various problems of currency, and such indeed we find to be the case. Text-books on bimetallism have been written by two members of the Indian Civil Service—Sir David Barbour, and Mr. Clive Cuthbertson. Mr. Atkinson, of the finance department, is well known as a contributor to the pages of the *Statistical Society's Journal* of monumental articles on Indian prices. And quite recently we have seen two books dealing with the "gold exchange standard"; one by Mr. Webb, of the Karachi Chamber of Commerce; the other, the book now under review, by Mr. Howard, of the Indian Civil Service, Collector of Customs at Calcutta.

It is pointed out by Mr. Howard that before the date of publication of this work no comprehensive account of Indian experience with regard to the working of the gold exchange standard was obtainable. The gap has now been filled, and in a very competent manner. Here, in a small compass, the student will find collected together a mass of information bearing upon this most interesting subject. Starting with an account of the development of Indian monetary policy during the nineteenth century, Mr. Howard details the various devices proposed from time to time by the Government of India to enable them to escape from the effects consequent upon the continuous depreciation of silver. In 1878, for instance, they proposed to fix such a rate of seignorage (altering it at intervals to keep pace with variations in the gold price of silver), as would virtually make the cost of a rupee—to persons importing bullion—equal in amount to two shillings. "We should thus obtain," they concluded, "a self-acting system under which silver would be admitted for coinage at the fixed gold rate as the wants of the country required; while a certain limited scope would be given for the introduction and use of gold coin, so far as it was found convenient or profitable." In order to maintain a stable exchange such a system would require that if ever, owing to a rise in the gold price of silver, the cost of a rupee to persons importing bullion were to exceed two shillings when no seignorage was charged, a premium should be given by Government to persons bringing silver to the mints until the coinage expanded sufficiently to reduce the rupee to its proper level. On reference to a Departmental Committee the scheme was rejected.

Subsequently to this the Indian Government pinned their hopes to the adoption of international bimetallism until, by the failure of the Brussels Conference in 1892, all prospects of such an agreement had vanished. Only after the failure of all other plans was the gold exchange standard adopted.

This historical retrospect is followed by an excellent account of the subsequent development of the gold exchange standard and its triumphant emergence from the crisis of 1907-8. Further chapters relate to import and export statistics (with which, of course, Mr. Howard is particularly qualified to deal); to "the Secretary of State's drawings and the balance of trade"; to "the investment of British capital in India" and other cognate subjects. Finally, four chapters are devoted to the recent rise of prices in India and its causes.

This rise of prices has been the subject of considerable discussion of recent years, and has aroused so much attention and criticism amongst the educated class of Indians that the Government of that country has recently appointed a committee to inquire into its causes and effects. Readers will, therefore, turn with interest to this portion of Mr. Howard's book. The descriptive chapters are excellent, and contain a useful collection of figures showing that "the movement of Indian prices as reduced to a gold basis has a general similarity with the movement of gold prices in the United Kingdom. But they have been liable to greater oscillations than English prices, and have also maintained a somewhat higher level," probably because of the influence exercised by the course of food grain prices in India. These latter have shown a very marked increase.

It is interesting to note that the Commission appointed by the United States Government to inquire into the rise of prices in America has found there a similar state of affairs—*i.e.* a rise of about 14·5 per cent. in the last ten years, the largest rise occurring in the price of farm products.

Those chapters of Mr. Howard's book which deal with the theory of money are disappointing. Here he wanders somewhat vaguely amongst conflicting ideas and introduces unnecessary difficulties. Thus on p. 111, he states quite naturally that an abundance of the circulating medium implies high prices, but follows this up by stating that high prices also stimulate trade and create a need for more currency. Such an obvious complication would have been avoided had the author seen clearly the distinction between periods of monetary disturbance and monetary calm. It is not high prices, but rising prices, which stimulate trade.

On the whole, however, there is little to criticize in Mr. Howard's book. Had it been more amplified it might have been more useful; but I can, nevertheless, recommend it to all students of monetary science.

D. A. BARKER.

THE COMMERCIAL RELATIONS OF ENGLAND AND SCOTLAND, 1603-1707. By THEODORA KEITH. With a Preface by W. CUNNINGHAM, D.D., Archdeacon of Ely. [xxiv, 210 pp. Crown 8vo. 2s. net. London, 1911.]

Miss Keith has clearly taken great pains with her work, which bears evidences of considerable research, and she has written a concise and reliable account of a subject which is by no means easy to handle. The book begins by showing that before the accession of James VI. to the English throne, the commercial relations between England and Scotland were very slight, but it was that king's ardent desire to expand the sentimental union of the crowns into something more real and practical. His projects met with strenuous opposition from the English Parliament, and from none so much as from the English merchants, who had grave apprehensions that "“wheresoever any artificer or tradesman of that nation [Scotland] shall dwell or abide it is very likely that in a short time he will gather unto himself the wealth of his neighbours and undermine them in profit as the horse will undereat the ox, such is their parsimonious life in respect of ours.”” Nevertheless, in spite of the heavy taxation imposed upon the Scots to help to pay for the wars against France and Spain, the result of the reigns of James I. and the first part of Charles I. was a considerable economic development in Scotland, "greatly due to the personal interest of both sovereigns." In 1639 the Bishops' war broke out, and war is ever a set-back to commercial progress when commerce is merely in an embryonic state; then followed Cromwell's campaigns with the same results. Miss Keith then speaks of the Scottish plantations in Nova Scotia and Ulster.

Chapter IV. is taken up with a lengthy description of Scottish economic development in general, and in it are given accounts of Scottish trade with Ireland, France, Holland, and with the American Plantations, which were largely populated by the immigration of settlers from Scotland. England was a constant source of hindrance to the Scots in their endeavour to develop their trade and always attempted to oust them from every field they entered, hence they were obliged to strike out an independent line for themselves; still, hope of union was not lost sight of, and in Chapter V., which contains an account of the Darien Scheme, we see that such a prospect was both retarded and quickened at the same time. Paterson, aided by the indefatigable Fletcher of Saltoun, originated a scheme for peopling with Scots the Isthmus of Darien, which was to become the great emporium of trade with the East. In 1698 about 3000 colonists went out and perished miserably at the hands of the Spaniards and from sickness. The failure was attributed by the Scots to the jealousy of England, as they looked for

her active co-operation ; in the characteristic style of Macaulay, England " was to be tricked into a bloody and expensive contest in the event of which she had no interest ; nay, into a contest in which victory would be a greater calamity to her than defeat," etc. To William the failure of the Darien project was an additional argument for union, which was eventually accomplished in 1707, but as Miss Keith says, " the conclusion of the Treaty was far from being the beginning of a golden period of prosperity and agreement," though it is now admitted that the growth of industrial life in both countries, and the increase of wealth which accrued from it, were the most beneficial results that the Act of Union afforded.

Miss Keith has fulfilled her task well and conscientiously ; there is an excellent bibliography appended, and altogether the work should prove a valuable book of reference.

A. HILL JONES.

THE PANAMA CANAL. A Study in International Law and Diplomacy. By HARMODIO ARIAS, B.A., LL.B. [xiv, 192 pp. 8vo. 10s. 6d. net. King. Westminster, 1911.]

This is one of the series of "Studies in Economics and Political Science," edited by the Hon. W. Pember Reeves. Next to nothing is said as to the actual construction of the canal. The main subject is the neutralization of inter-oceanic highways considered as a branch of international law. The history of the Panama Canal is depicted as the working-out of the problem of neutralization in a particular case. The divergent interests of the parties concerned have made the solution slow in coming. The United States, in virtue of the Monroe doctrine, at one time appeared to be aiming at the exclusive control of the canal. But Great Britain pressed for a universal right of passage ; and this demand found response in the spirit of fairness in the American Government. The attempt of M. de Lesseps to construct the canal by means of a private company failing through want of capital, the United States undertook to carry through the project. This presently caused the intervention of Great Britain, with the result of the Hay-Pauncefote Treaty in 1901. The neutrality therein guaranteed differs in one important respect from the neutrality of territories such as Switzerland and Belgium, namely that belligerent vessels have the right of passage through, though not of hostility in the canal or its immediate neighbourhood.

"The freedom of navigation for all vessels of all nations, and at all times, by what are considered to be the highways of the world, is a principle deeply entwined in the roots of International Law" (p. 148).

It must surely conduce to the prosperity and progress of the world to restrict the area of hostilities as much as possible, and to get international agreement about rights which even belligerents are expected to respect. The practical recognition of universal human interests, commercial and otherwise, must help the nations to view war as stupidity and brutality.

FREDERICK A. M. SPENCER.

PRINCIPLES OF ECONOMICS. By F. W. TAUSSIG, Professor of Economics in Harvard University. [2 vols. xxxv, 545, 573 pp. 8vo. 17s. net. Macmillan. New York, 1911.]

Professor Taussig's book on economics can be welcomed, not so much for any special statement of fact, but because it is intended for the general reader, and gives a clear description of the economic aspect of modern life. He follows the usual course of writers on political economy in taking first production, then exchange, including distribution, and implying consumption, with some final chapters on certain industrial institutions. The subject-matter is carefully divided into books and sections, all together forming a line of argument, which indeed entails some repetition, since the facts recur in different connexions, but which is absolutely clear and pre-supposes no specialized knowledge. The book should thus be useful in spreading a more intelligent understanding of everyday economic facts; for, as the author remarks more than once, few persons are conscious of their own economic position in the world.

At the same time, the more specialized student will find here a useful exposition of the subject. The author's style is conversational, and he moves insensibly from obvious statements to the more subtle calculations. His illustrations are taken chiefly, though not solely, from American conditions; while he uses a few simple diagrams, and even fewer tables of statistics in proof of his arguments. The book thus forms a good guide to clear reasoning, and is a stimulus to thought.

The author, moreover, does not exclude non-economic considerations as an influence on material life. Without upholding any particular school of reformers, he urges the improvement of the workers and the reduction of existing inequalities. The evils of excessive speculation and monopoly are examined; while much attention is given to the functions of the leisured classes. Socialism is treated with sympathy, as well as with fairness, but Professor Taussig thinks that social development must be slow, and that competition will not soon give place to either co-operation or monopoly. In this connexion, we find the treatment of State-Insurance inadequate, since, although the details



are fully stated, there is no account of its philosophical basis. The Poor-Law also receives summary treatment, and is not connected with any general scheme for industrial well-being. With these two exceptions, the question of labour is treated with unusual breadth, and there is a suggestion that in some form of eugenics lies the possibilities of future improvement.

While perhaps the greatest originality appears in the treatment of social conditions, the most sustained argument is found in those chapters dealing with value in the widest sense, including bi-metallism, protection, and taxation. In controversial questions, the author does not seek to arrive at a conclusion, but he clearly demonstrates the economic situation, so that the partisan may at least see the difficulties before him. Thus, in the account of protection, all the general arguments are given, but there is little mention of the particular conditions of Great Britain.

Professor Taussig acknowledges the indeterminate character of his work, but it is not the less valuable for that reason ; since he shows that the strictest economic theory can be applied to the latest industrial developments of our time. It is for each man, as an economic unit, no less than for each practical politician, to adapt his conduct for the good of the community.

M. W. MIDDLETON.

LE MINIMUM DE SALAIRE ET LES ADMINISTRATIONS  
PUBLIQUES EN BELGIQUE. MINISTÈRE DU TRAVAIL. [206 pp.  
8vo. Lebègue. Brussels, 1911.]

Lately the attention of English people has been attracted to social conditions in Belgium, not only by the report of the Board of Trade investigators, but by Mr. B. Seeböhm Rowntree's study of the subject. Both publications have done something to correct our general impression that in all respects the lot of the Belgian workman is very far behind that of his British comrade, and to suggest that in regard to the demand which cost of housing makes on his means, the Belgian may even be the more fortunate of the two. At the same time, he is certainly much the worse off so far as the length of his working day is concerned, which has been estimated to exceed the English workman's by a fifth. With regard to the predominating rates of wages, the report issued by the Ministry of Industry at Brussels upon the minimum wage insisted upon in official contracts sheds some light. Certainly the standard set is not a high one according to our notions. Even in Brussels it reaches 6*d.* an hour only in the case of a few highly skilled trades. Locksmiths, carpenters, and joiners get 4½*d.*, journeymen electricians 5*d.*,

masons 4*d.*, and navvies 3½*d.* Curiously, some of the smaller towns have adopted a higher minimum scale than the capital. Thus, at St. Gilles 5*d.* is the rate for carpenters. A history of the stages through which the movement in favour of establishing a minimum wage in contracts with official bodies has passed forms the subject of the opening chapter.

The initial attempt was made so far back as 1853, by M. de Brouckere, then burgomaster of Brussels, who was shocked to find that while cost of living had risen, wages had remained stationary since 1804. It was not, however, till 1887 that this example was followed in other towns. But the principle had been recognized for some years by municipalities before it began to be adopted in the departments of the central Government.

C. H. D'E. LEPPINGTON.

MUNICIPAL ORIGINS. By FREDERICK H. SPENCER. [xi, 333 pp. 8vo. 10s. 6*d.* net. Constable. London, 1911.]

The subject of this treatise is more clearly, if more lengthily, defined by its alternative title, as an account of English private bill legislation relating to local government, 1740 to 1835. In the earlier part the author goes at considerable length into the constitution and functions of the committees appointed in both Houses of Parliament for private bill legislation, and subsequently examines the composition of municipalities and other local authorities as regulated by Parliament during the period under review. This latter coincided with that of our industrial revolution, which necessarily gave a great stimulus to private bill legislation, since legal sanction was indispensable in order to give effect to many of the requirements of the new era. The improvement of means of transport was a case in point, for very many of the private bills were put forward by promoters of Turnpike and Harbour Trusts and of inland navigation. The same machinery was used when the inhabitants of a town or parish desired to pave or light their roads or to police their streets. "Private Bill legislation . . . changed rapidly from a device for settling estates and dissolving marriages into an instrument for re-adjusting social conditions, and, indeed, for forwarding the very economic revolution itself." The records of this branch of parliamentary activity afford, indeed, an index of social progress.

In dealing with these bills the two Houses adopted from an early date widely differing policies. In the Commons, the member who had the bill in charge, and who was therefore pledged to support it, was usually appointed Chairman of the Committee which was to consider it. Thus this functionary not only possessed no special experience in his business, but he did possess the serious disqualification of partiality.

In the Lords, on the other hand, the habit was early adopted of appointing a permanent chairman to deal with all private bills. During the lengthy period between 1794 and 1884 the post had only three occupants Lord Walsingham, Lord Shaftesbury (predecessor of the philanthropist), and Lord Redesdale. Thus a consistent line of procedure was gradually evolved in the Lords, and one point on which great emphasis was laid whenever the power to levy a rate was applied for, was the question whether the petitioners had the support of the inhabitants of the district affected. It would happen sometimes that improvements suggested and championed by the enlightened few were negatived by the many in town-meeting assembled, as was the case with the first bill for the lighting of Birmingham. On the other hand, the bodies created to give effect to the provisions of these Acts contained as a rule a very large official element, while the representative element was frequently small, and occasionally entirely lacking. The board of street commissioners of Oxford, created in 1771, included as *ex officio*s all the heads of colleges and professors, and, indeed, every prominent official of the University.

Mr. Spencer has been liberal in references to his authorities, among which figure handbooks by parliamentary agents for the guidance of solicitors engaged in getting up petitions for private bills. He has added considerably to our acquaintance with the obscure origins of corporate and municipal activities in England.

C. H. D'E. LEPPINGTON.

A STUDY OF INDIAN ECONOMICS. By PRAMATHANATH BANERJEA, late Professor of Economics, City College, Calcutta. [221 pp. Cr. 8vo. 3s. 6d. net. Macmillan. London, 1911.]

This little book is an attempt to deal with the subject of Indian economics in a systematic manner. The author has arranged his chapters as far as possible amongst the economic categories of production, distribution, and exchange, and throughout the book he continues to classify and illustrate his facts with reference to economic theories. This method of work, though doubtless an admirable exercise for the writer, does not produce results of value for the reader. It produces, rather, a barren hybrid which is neither a text-book of theory nor an adequate collection of facts. There is room, perhaps, for a detailed survey of Indian finance, but such a survey is not to be found in Mr. Banerjea's book.

In the first four chapters he gives a very generalized survey of the geographical and social features of Indian life. The three next chapters

are devoted to a sketchy description of agricultural and manufacturing industries, and the remainder to a slightly more detailed survey of commerce, currency and banking, public finance, and State socialism. Small wonder that with such a field to cover, and only two hundred pages to do it in, Mr. Banerjea has failed to make a success of his work ! And this failure, perhaps, is not so much the fault of the author as of the reading public which, under the stimulus of more widespread and more superficial education, makes an incessant demand for "handbooks," "primers," "outlines," and "introductions." It is a comforting thought that against this vast output of "potted" and somewhat superficial instruction we can set off the modern development of co-operative scholarship and ever-deepening research.

The dullness of Mr. Banerjea's book is somewhat added to by its severely impartial tone. If anything he lays more stress upon official than upon non-official views. His impartiality is seen at its best in the section dealing with India's fiscal policy—a subject upon which most educated Indians feel very strongly. In this section he follows Mr. Lees Smith in pronouncing that India has nothing to gain and little to give in any scheme of imperial preference. With regard to Sir Roper Lethbridge's ideas on the subject he exposes very clearly a fallacy which I have always felt at the back of this author's otherwise persuasive arguments. "Sir Roper," says Mr. Banerjea, "places a very high ideal before the eyes of Indian statesmen. He holds out the hope that the future commercial treaty between India and the rest of the Empire will involve the recognition of India as a sovereign State. But he would not allow India to afford protection to her own industries against British goods. Wherein, then, will the sovereignty consist ? "

It is a pity that in the other parts of his book Mr. Banerjea has not been able to give free play to the powers of criticism displayed in this one section.

D. A. BARKER.

SOZIALE TÄTIGKEIT DER STADTGEMEINDEN. Vierte Auflage.  
Von Dr. THISEN. [203 pp. 8vo. Gladbach. Berlin, 1911.]

This admirable synopsis of municipal activity in Germany should be of great value to those engaged in social work in England. The German carries out his philanthropy with the intellectual thoroughness that is characteristic of him. Municipalization has been proceeding apace in Germany during the last ten years, though the overcrowding in towns is still terrible. Of special interest is the table of wages of the municipal employees of Düsseldorf, showing regular advance in pay with years of

service, even for the unskilled labourer ; also the regulation in Strassburg, whereby additions to the wages are made to labourers with large families.

DIE BERUFLICHE UND SOZIALE GLIEDERUNG DES DEUTSCHEN VOLKES. Von Dr. GEORG NEUHAUS. [xvi, 287 pp. 8vo. Gladbach. Berlin. 1911.]

This is the first volume of a series on the economic history of Germany from 1882 to 1907. It is hard to realize how recent is modern industrialism in that country. Before 1882 the Germans were a predominantly agrarian people. Exports and imports more than doubled in the succeeding twenty-five years, as the wealth of statistics given in this book amply testifies.

THE SOCIAL WORKER'S GUIDE. Edited by Rev. J. B. HALDANE, M.A. [xv, 484 pp. Cr. 8vo. 3s. 6d. net. Pitman. London, 1911.]

Mr. Haldane is to be congratulated on having produced a well-arranged and serviceable handbook, full of information and counsel about a long array of subjects which are concerned with the public welfare. The list of contributors is a sufficient guarantee that first-rate authorities have been consulted in every instance ; and the commendable brevity which is observed throughout the compilation is enhanced by an ingenious system of cross references. To give some idea of the range of the book, it will be enough to quote the first few subjects mentioned under A :—

Able-bodied Paupers, Abstract, Acts of Parliament, Administration of Justice, Adult Schools, Adulteration, Afforestation, After-care of Feeble-minded Children, Agency, Agricultural Education, Aliens, Allotments, Almoners, Ambulance.

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AND OFFICIAL RETURNS. J. L. DOUGAN.

### REVIEWS AND SHORT NOTICES.

Webb's *The Prevention of Destitution and Grants in Aid*—LAWRENCE PHILLIPS. Murdock's *A History of Japan*, de Benneville's *Saito Musashi-Bō Benkei*, and Longford's *The Story of Old Japan*—R. E. VIEWER. Spiller's *Inter-Racial Problems*—R. R. MARETT. Russell's *Constructive Socialism*—R. LAFFAN. Bisschop's *The Rise of the London Money Market*—C. H. D'E. LEPPINGTON. McMillan's *The Child and the State* and Mangold's *Child Problems*—J. G. LEIGH. Guyot's *Economic Prejudices*—M. W. MIDDLETON. Alston's *Elements of Indian Taxation*—D. A. BARKER. Kelynack's *Medical Examination of Schools and Scholars*—W. N. WILLIAMS. Eastman's *Work-Accidents and the Law*—W. N. WILLIAMS. Seager's *Social Insurance*—M. W. MIDDLETON. Bruce's *The Broad Stone of Empire*—H. E. EGERTON. Besse's *La Crise et L'Évolution de l'Agriculture en Angleterre*—J. C. MEDD. Seligman's *The Income Tax*—C. H. D'E. LEPPINGTON. Le Rossignol and Stewart's *State Socialism in New Zealand*—J. G. LEIGH.



## EDITORIAL NOTES.

IN view of the somewhat acute controversy which has arisen in connexion with the proposal to establish by law the principle of a minimum wage in the coal mining trade, it may be well to recall the fact that we already have legal rates of wages in actual operation. Under the Act of 1909, Trade Boards have been set up in the four trades which seemed to be most exposed to the process of "sweating"; and in one instance, that of the chain-making trade, the minimum rates of wages as fixed by the Trade Board have been in force for over a year. No doubt, the circumstances of this particular trade were altogether favourable for such an experiment. It is a comparatively small and highly centralized trade: there are probably not many more than 4200 workers, all told, engaged in this industry in and around Cradley Heath. Moreover, last year the chain-making industry was enjoying a period of great prosperity, and there has hitherto been no serious fear of foreign competition, so that any immediate increase in the cost of production could easily be shifted on to prices. But, further, there is some reason to believe that in the end the recent very considerable rise in wages—representing perhaps an average increase of about 40 per cent. for the three sections directly affected by the Trade Board—may be accompanied by such an improvement in the economic organization and efficiency of the trade that it will be better able to meet the inevitable depression when it sets in again, and will be in a stronger position to face any development in the stress of foreign competition should it occur.

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There are several interesting points to be observed in the method of this Trade Board. First, the basis of the existing

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rates is a minimum time wage, ranging from  $2\frac{1}{2}d.$  to  $7d.$  per hour. But the time wages are immediately translated into piece rates. Thus, an estimate is made of the amount of chain of a particular quality that can be made in a 54-hour week by the ordinary worker of average ability and diligence, and this gives the price per hundredweight to be paid for that chain. As an illustration of the elaborate codes in force, it may be mentioned that the hand-hammered section deals with twelve different sizes of iron, each divided into four grades—commonest, common, extra and best—making in all 48 different piece rates. Secondly, there is no distinction drawn between men's and women's work as such; the legalized rates are to be paid to any person, male or female, who does the work. But, in fact, the hand-hammered section, rated at  $2\frac{1}{2}d.$  per hour, is almost entirely in the hands of women, while the dollied and tommied sections, rated at from  $5d.$  to  $7d.$  per hour, are mainly monopolized by the men. Thirdly, great emphasis is laid upon the training of apprentices or "learners" as they are here called. They are to be "definitely and effectively employed in the practical learning of the trade under an agreement in writing." And here again their wages are legally fixed—viz., 4s. a week for the first period of six months; 5s. 6d. a week for the second; 80 per cent. of the regular rates for the third; and 90 per cent. for the fourth period of six months. After two years' training they are entitled to the full rates of pay.

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On the whole, then, it may reasonably be assumed that the trade, including employers as well as workpeople, is quite satisfied with the present results of this experiment in State supervision and control. On the one hand, the employers can more accurately reckon up the cost of production, they know the rates which must be paid by their competitors, and are securely protected from any excessive undercutting on the part of "sweating" middlemen. On the other hand, the workpeople are better fed and better clothed, they are far more contented to let things run smoothly in the workshop, and in consequence they have already effected a marked improvement in the standard of the work, especially of the lower grades. But, no doubt, other developments are necessary and desirable in order to maintain and strengthen the

economic organization of the trade. For instance, a larger use of machinery seems inevitable. It would be a real economy, and one that would greatly enhance the efficiency of the ordinary hand worker, if an electric motor were employed, say, in a co-operative workshop, to drive a number of bellows which at present are manipulated by hand. Moreover, machines for making chains are already set up in Cradley Heath. So far, however, the chain they produce is only slightly cheaper than the handmade, and it is not so safe or durable. But if the machines can be improved, as is indeed most likely, they are bound to displace hand labour in the production of chains not required to stand a very severe strain. Again, some limitation of the number of people seeking employment seems to be expedient. It is said that even at the present moment when trade is good there is not enough iron on demand to go round among all the would-be chain-makers. A certain amount of selection has already taken place, and naturally the less efficient find it more difficult to obtain work at the regulation prices. And hard as this process of decasualization may be upon individuals, it is obviously desirable in the interests of the trade as a whole, and we may be sure that it will be continued. In particular, it will probably have the welcome result of checking the casual employment of married women.

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The Coalminers' Strike is, as we write, still a fact, and the dispute is not, so far as the public are aware, any nearer to a solution than it was when the strike began. It is very much to the credit of the Press and the public that there have been so few outward signs of panic or undue impatience; and the miners themselves have very greatly assisted their cause by the remarkable orderliness which have so far marked their proceedings. The Press have given a general and not ungenerous support to the efforts of the Government to help the contending parties to come to an agreement, though here and there it is urged that more drastic methods are required, and complaints have been made (not without *prima facie* justification) that the Government began its inquiries, if not its intervention, too late. With the request for more drastic methods it is difficult to sympathize.

“Hard cases make bad law”; and no more unsuitable moment could be chosen for altering the law relating to strikes and trade unions than the middle of a great strike. Those, again, who believe in what is called “Compulsory Arbitration” must know that it raises complicated and difficult questions, and that a Bill patched up on the spur of the moment would be likely to do more harm than good. If, on the other hand, what is asked for is legislative interference in this dispute and this alone, that course clearly is one which the Government contemplate as a second best if their own powers of persuasion and the pressure of public opinion fail to produce the agreement between the combatants which they would prefer. Whatever may be the future of legislative interference of this kind, we think that, as matters now stand, reluctance to have recourse to it, except in the last resort, is fully justified. It is a weapon that should be held as long as possible in reserve.

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Some object to a settlement by legislation on grounds of general political principle, because they think that the fixing of wages is not a task which the State should under any circumstances undertake. The case of the Coalminers is, of course, so different from that of the Chainmakers that it is difficult to argue from one to the other; but the action of the Trade Board in the latter case is sufficient to show that the principle alleged as an obstacle is already in practice violated, and to make it impossible for the present Government to advance it as a reason for refusing to legislate in this matter. There is no need to call in the aid of any such principle to justify reluctance to interfere in this way. The actual situation provides at least two good reasons why it is worth while to wait as long as possible before asking Parliament to intervene. The first is that every day the pressure of public opinion becomes greater, and there is reason to hope that this pressure will in the end induce the extremists on either side to moderate their demands. The second is that an agreement between the parties would undoubtedly be the best kind of solution, if attained; an arrangement which is voluntarily, even if reluctantly, accepted is felt to be more binding than one which is imposed from without. These are quite plain and obvious reasons, not depending on any disputed points of political theory;

which convince us that it is wise to let the strike continue in the hope that it will kill itself, rather than attempting to bring it to an end by main force. Of course the strike is expensive, and increasingly expensive from day to day : if agreement is not arrived at, the policy of mere mediation will be discredited ; but that will not prove that the policy was wrong.

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The Railway strike and the Coal strike, following closely the one on the other, have given the country valuable experience of what a strike of national dimensions means in industries on which the whole business community is dependent. The wastefulness of the strike as an instrument of securing an advance in wages has come home to everybody ; but this is balanced by a conviction on the side of organized labour that as matters now stand a strike is the only weapon by which an overdue advance in wages can be secured. A way out of the difficulty remains to be found. In the mean time, something has been gained. The consciousness of the difficulty is the first step towards its solution. In the minds of most people, fortunately, the nature of industrial war is fairly well understood ; the sheer waste which it involves is plain and obvious to all. It does not cheat the eye with gorgeous trappings, nor deceive the judgment with spectacular heroics. To defend it, as men sometimes defend war between nations, for the virtues which it breeds, would be recognized as paradoxical. Yet its hardships are at least as real as those of war in the field, its dangers not less terrible, its call to self-sacrifice not less peremptory. It may also be argued that these disturbances in our social order, regrettable as they are, nevertheless do us a very obvious and immediate service. Bodily pain is a thing we regret and try to prevent ; yet clearly it has its value as a sign of ill condition of body. But for the pain which ill treatment produces, we might go on mishandling our bodies until we destroyed them altogether. Recognizing this we attempt to remove the causes of pain rather than destroy the feeling itself by anæsthetics. It may be feared that the public at the moment is more anxious about the discomfort which strikes cause than about the economic disorders of which the strike discomfort is the symptom. In the same way a man who has ruined his health by disorderly

living will be more ready to try to remove the effect by drugs than to reform his life. If the drugs are effective they merely prolong the days of his intemperance. And so in this case, if our statesmen by a master stroke made strikes for the future impossible, they might after all turn out to have done us a disservice, by lulling us into a false security and engendering a foolish confidence that our workers have no serious grounds for complaint.

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The report on the working of the Summer Classes held during the Long Vacation at Oxford, which has recently been issued by the Oxford University Tutorial Classes Committee, is a most interesting and encouraging document. It proves that the experiment of a Summer School has more than justified itself, and must now be considered as a permanent and integral part of the Tutorial Class system. The aim of the School, which was only started in 1910, was to enable the keenest and ablest of the Tutorial Class students in the various centres to come up to Oxford for a fortnight or so in the Long Vacation and there pursue their studies with the assistance of Oxford tutors, who could criticize their work from a fresh point of view, give them further guidance in reading and methods of research, and bring them into personal contact with authoritative representatives in each subject. The success of the first year's efforts on these lines was so marked that in 1911 twice the number of students attended, and the amount of teaching provided by lecturers and tutors was more than doubled. A large part of the report is devoted to quotations from the written comments both of the tutors and of the students on their experience of the Summer Classes. They make excellent reading. The tutors were clearly impressed with the enthusiasm and the real ability of a great part of the men and women they had to teach. It is equally clear that some of them were not fitted for such advanced work, and arrangements are to be made in future to secure that only those who are adequately equipped and trained should attend the Classes. The student's comments are one long pæan of gratitude for what they got and eagerness for more of it. It seems to have rounded off for many of them the new conception of what education means and how to pursue

it which the Tutorial Classes have given them. To quote one student: "the workers will learn to take an intelligent interest in their children's education, and for myself I know now where and how to dig for the knowledge I want." And the same strain runs through them all. One further feature deserves notice. The provision of Common rooms and Lecture rooms by New College and Balliol and by the latter of vacant College rooms for actual residence enabled the students to feel something of the fellowship and corporate ideals of College life. So that here too the Summer School completes the task of the Tutorial classes in bringing Oxford to the people who cannot in the full sense come to her. The general result is to establish the School as a permanent part of Oxford's effort to satisfy the demand of the working classes for a University education, and, if the needed financial support is forthcoming, the continued success of this valuable contribution towards the social welfare of the nation is assured.

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At the last moment before going to press we recur to the subject of the Coal strike. The sequence of events has been so dramatic and exciting that it is impossible to arrive at a final judgment as to the part played by each of the various parties in the dispute; but, in spite of the fact that the struggle is not yet over, it seems clear that it cannot go on much longer. All the cards are now on the table; and though the history of the abortive negotiations remains to be written, their results are well known, and the position is quite clear to the public. When the original negotiations resulted in a deadlock, the Government at once introduced a Bill establishing the principle of a minimum wage for underground workers in coal mines, and leaving the actual rate in each district to be settled by committees of masters and men under Board of Trade presidency. In the course of the debates on this proposal in Parliament it was discovered that the men were prepared to drop their own schedule of rates, on which they had previously insisted as a condition of settlement, if a universal minimum of 5s. for men and 2s. for boys were accepted by the owners or inserted by the Government in the Bill. This discovery created a new situation

and justified Mr. Asquith in inviting the parties to further conferences. These discussions again issuing in a deadlock, all that remained to be done was to carry the Bill through its final stages. Throughout the Prime Minister refused as a matter of principle to insert any actual rate in the Bill ; and the Bill is now part of the law of the land in much the same form in which it originally came before the House of Commons.

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In a crisis of this kind there could be no more foolish and unprofitable occupation than to attempt to apportion praise and blame for the failure of the negotiations. Fortunately not much time has been wasted upon this attempt. At the moment, if one may judge from the Press, the most prominent feeling in the minds of most sensible men, apart from disappointment at this failure, is one of gratitude to the Government for their refusal to buy a temporary accommodation (and possibly a momentary popularity) at the cost of a serious sacrifice of principle. Having seen reason to accept the principle of a minimum wage for underground workers, the Government publicly adopted it and professed their readiness to enact it in a statute. Further they refused to go, and their refusal has public opinion behind it. The wisdom of inserting the 5s. and 2s. rates does not depend upon the reasonableness or unreasonableness of these rates themselves. To insert them would be to prejudge a question which the Act makes *sub judice*, and to decide a question which the House of Commons is not in a position to decide. To yield would have been to give a signal demonstration of the way in which a labour organization can "squeeze" a democratic Government. Therefore, whatever the issue, we may well thank Mr. Asquith and his Cabinet for their firmness in this matter, and take it as evidence of the strength and soundness of our political institutions.

## SMALL HOLDINGS AND LAND BANKS.

WITH six new Small Holdings Commissioners at work, there is reason to look for better progress in the creation of small holdings than has been observable in the past; although, of course, the rather cumbrous machinery necessarily retained in use and the *inviti canes* to be turned to the chase in county centres can scarcely fail to continue to make their existence prejudicially felt.

However, when all is allowed for, there seems reason to apprehend that the Act applied will still be found to cover only half the ground waiting for its work. It proceeds by tenancy only. Now, there are excellent reasons why in this country tenancy should not only be adopted, but placed in the forefront. However little or much regard paid to the ideas of land nationalizers may have had to do with the framing of the Act, the fact remains that our people are *used* to tenancy. And there is a great deal in the force of habit. Moreover, one pound will purchase only one pound's worth of value. You may sink it in the soil, or you may put it to the more remunerative use of working capital. You cannot do both. Above all, we have the difficulty of expropriation to reckon with. The Act distinctly relies upon expropriation. Now, if you expropriate land, you can rightfully do so only for a distinct, stated purpose; and to that purpose you will in honesty rigidly have to limit its use. *Cessante effectu, tollitur causa* for expropriation, and the land will in such case have to be restored—supposing that the former owner is willing to take it back. Such contingency must be provided for. And, according to our lawyers, it can be so in this country only by tenancy. Other countries have different methods available which have proved effective. We appear to have only this one.



But, then, it is not to be anticipated that we shall proceed solely by expropriation, and for land acquired in other ways there is admittedly no need for the same restriction. The chances are that for many of those whom we desire to settle on the land the form of ownership may be found to possess more powerful attractions, or come to possess such sooner or later—provided that the now prohibitory objection of the insufficiently filled purse can be overcome—as I shall show that it may be. If we really want to create a peasantry, we cannot well afford to neglect any opportunity available for doing so. And there may be found to be special advantages also in settling by ownership. The analogy apparently uppermost in some people's mind, borrowed from the case of labourers' dwellings—which we now by preference establish as tenant holdings, in order that the occupier may not find himself tied by the leg were he to see his way to better employment elsewhere—cannot possibly apply in this case; for the peasant's holding is *not* a labourer's dwelling—although, of course, there is a dwelling upon it. It is the occupier's workshop, and a workshop of a kind which, in many cases, requires long occupation and is never the worse for such.

It is not quite easy to make people understand this who are not conversant, I do not say with farming generally, but with this particular kind of farming—of which we have so very little in this country, but which flourishes elsewhere. They think of a holding as if it were a smithy or a wheelwright's shop, or any other artisan's workshop, in which the occupant may do his day's work or his year's work, and then go away, carrying his tools and his finished goods with him and start afresh elsewhere, none the worse for the change. That is not a correct notion to form of the use of a peasant's holding. It has been my fate to be thrown among small owning holders full fifty years ago, and to have their case steadily before my eyes since, watching their work and comparing notes with them, and on the ground of what I have so seen I am in a position fully to confirm the rather glowing description given by the late Henri Baudrillart, in respect of the French peasantry, of their attachment to their own particular holding, of the steady labour and thought, penetrating into the far future, devoted to it, just because it is permanently theirs and destined

to bear ample fruit in due course ; and the more sober, but equally convincing account given of the work of the German peasantry by the late Lord Goschen, in an admirable speech delivered some twenty-five years ago. Lord Goschen then showed how the owning peasant's holding—in contrast with the mere temporary occupier's—becomes to him a most valuable savings-box, ever ready for his deposits in kind, receiving his thought and labour of every spare minute, as a labour of love, to return them with ample interest, in grist or in meal—that is, in produce or in selling price—it might be many years after. For there is improvement to think of in an owner's holding as well as mere exploitation. And we ought to bear in mind that once land becomes a peasantry's property, it becomes, in John Bright's words, "as saleable as my watch." There is more in ownership in this shape even than Arthur Young saw in it when describing its advantages in his phrase which has become hackneyed. He saw the improvements effected at a certain point of time. But there is the devotion, the thought—most educating it is—the steady pursuit of a realized aim by well-directed, patient labour, carried into minutiae, the effect and value of which you can only learn to estimate by continued watching of the process at work.

It is, however, not my object now to argue the merits of ownership as compared with mere tenancy. I have endeavoured to establish the point in the *Contemporary Review*, a little more than twenty years ago,<sup>1</sup> by the light of my own long-continued observation and also of what were then quite recent official inquiries carried out with great care, the results of which South German governments kindly placed at my disposal. My present object is rather to consider, likewise by the light of practical experience, the means open to us for promoting, by the side of the creation of small holdings by tenancy (which we are not likely to abandon), the creation also of small holdings by ownership, with the use of borrowed money or borrowed liability. That will necessarily have to be a condition, for the admitted difficulty in our way is that the people whom we desire to settle on the land lack the required means.

There are two schemes aiming at this point before us at the

<sup>1</sup> *A Practical Justification of Peasant Properties*, May, 1895.

present time, neither of which appears fully to satisfy the requirements of the case or to meet with such measure of public approval as might assure its adoption. It can indeed occasion little surprise if, after the only partial success of Irish land legislation and the failure of Mr. Chaplin's well-intended but altogether inadequate Act of 1892, people have become a little sceptical in respect of this matter. Neither of the two recorded failures need, however, really affect the present problem; which is of a different nature altogether. In Ireland, we made it our object to settle a peasantry already existing, on the land which they were then occupying as tenants, for the sake of their contentment, without thinking of increasing the productiveness of the soil, the value of the land, or its capacity for supporting a larger population or more live stock, or adding to the wealth of the country. In England, our present task is to turn large holdings into small, for the express purpose—which foreign example has shown us to be attainable by such means—of making the land more valuable, more productive and capable of maintaining a larger number both of human beings and of live stock. Mr. Chaplin's Act, on the other hand, was a mere first attempt, an experiment embarked upon without any data or experience to serve as guides; and it was aimed at what we now know to be, in this country at any rate, the wrong point—namely, that of producing isolated freeholds, on which the tenant converted into an owner would have to battle with odds grown heavier by the act of purchase and, according to established agricultural opinion probably well founded, too heavy for him to cope with, as a general rule.

The aim which very successful foreign experience and our own ripened judgment now teach us that we should make for is to create, not isolated holdings, but *groups* of holdings; a new community replacing the former half-desert plain, in which occupiers will be able to support one another by co-operation—not in farm management, but in all ancillary business: buying, selling, maintaining costly machinery for common use, some common work and credit banking. That object, totally distinct from that which Mr. Chaplin in early days made his own, imprints an entirely different character upon the scheme. And for preparing such a scheme we have now ample and very conclusive

data to go upon : for others have been proceeding in this way—beginning, as it happens, at much the same time as Mr. Chaplin ; but, whereas Mr. Chaplin's Act of 1892 has remained, to all intents and purposes, a dead letter, Prussian legislation of 1891, aiming at what has just been represented as our own new aim, has borne fruit largely, peopling at least 500,000 acres, but more probably a full million<sup>1</sup> with small owners who are prospering and contented, adding to the population, turning the tide of emigration backwards, giving the king more soldiers, and also more taxpayers with more capital value at their command, producing more, maintaining incomparably larger herds of live stock, and generally adding to the wealth and power of the country. There is no record kept of the heavier crops produced, or of the addition made to capital value or taxation levied. But here are some telling instances noted of the remarkable increase of population and live stock brought about by the conversion of large estates into small ownership holdings. On one property, the population of 320 increased at a bound to 452 ; the number of horses kept went up from 40 to 150 ; the number of cattle from 80 to 400 ; the number of pigs from 100 to 920. For another property, the corresponding figures are : 281 and 307 ; 30 and 125 ; 80 and 360 ; 200 and 1200. For a third : 152 and 452 ; 60 and 100 ; 230 and 452 ; 126 and 1102. Similar increases occur wherever the same method has been employed. A report upon a quite recent inquiry, instituted by order of our Board of Agriculture, now in preparation and promising to prove of great value, is likely to give fuller details.

I do not propose now to go into the particulars of the scheme here spoken of. I explained it rather fully in the *Contemporary Review* of May, 1895,<sup>2</sup> at which time, after only three years' working, the success of its policy was already declared. In the main, the scheme has remained unaltered. My object now is rather to review, for our own possible benefit, the main lines of

<sup>1</sup> Five hundred thousand acres is, according to the last Report, recently issued, the area which the "General Commissions" have settled directly in this way. But there have been other agencies at work. The Berlin "Landbank" alone had between 1896 and 1910 disposed of 1,500,000 acres, much of which was, however, sold in the form of improved large estates.

<sup>2</sup> *Re-Peopling the Land.*

the policy there pursued and to establish its guiding principles with a view to their being, if possible, turned to account in our own case. It will be found that the principles adopted in Prussia differ not a little from those upon which the schemes advocated in this country have been based : for instance, that of Mr. Jesse Collings—which my German expert friends, having read a German translation of its author's pleadings, refuse to take at all seriously—and that of Sir Gilbert Parker who, unlike Mr. Collings, abstains from asking the State to provide the cash for buying out landlords, but would have it *guarantee* the eventual payment of the money, which, obviously, is in certain contingencies likely to come to much the same thing—unless, indeed, the State takes care, as it should, to have its own guarantee in its turn guaranteed by some one else. That is the pivot upon which the German scheme turns. And there is no doing without it. Manifestly in our case, if the vendor is to be paid in bonds, the State will have to guarantee such. For guaranteeing corporations like the Prussian *Land-schaften* are, in our own case, out of the question. But the point is : Who is to guarantee the State ?

In taking the Prussian scheme into consideration we shall have to observe, first of all, that under it there are neither County Councils to apply its provisions nor is there any expropriation. Whatever land is bought up and converted into small holdings is so bought up and converted by the vendor's free choice, and indeed upon his direct motion. It is he who is expected to take the first step. And there has been no lack of land forthcoming, nor is there likely to be. The volume offering is increasing, and has, more particularly, increased since companies and societies have been formed to carry out the initial work in the vendor's place. There are new organizations of this kind taking the field—quite apart from those “ Germanising ” Small Holdings Societies in the Polish provinces, whose object is rather political than economic; and which I at present leave altogether out of account.

The vendor is, as observed, looked to to set the Act in motion and to bring his land, so to call it, to the dissecting table, and he is met on the other side, not by any local authority like a County Council, but by officers of the State, appointed for this very purpose and so appointed that political considerations cannot

influence them, whatever other State authorities may think it right to do. As a proof of such independence, I may quote the case of the late President Beutner, presiding over one of the local "General Commissions" entrusted with the application of the Act in the very heart of the Polish country. He took a particular delight in settling Poles upon small holdings in his bestowal, because, as he explained to me, he considered them, with their fewer wants to begin with, the better settlers.

The General Commissions, appointed to safeguard, as between vendor and settler, specifically the latter's interest, are rather severe critics of the schemes submitted, and among other things will not allow the vendor to draw an excessive profit upon his sale. Notwithstanding this, vendors gladly come to them because after all, even under such circumstances, they can as a rule in such way sell their properties to better advantage than by throwing them on the market, and certainly with much less trouble, once the scheme is approved. However, the vendor must come with his plan ready worked out, having willing purchasers to produce, the division into plots roughly made and the price already agreed upon. If the vendor can do this, and the "General Commission" approves, the latter will take all subsequent work connected with the transfer off his hands at a purely nominal charge, which used to work out at about five shillings per acre and probably still stands at the same figure. Such work includes all legal proceedings, stamp, surveying, and so on up to the production of a good title for all, which is duly entered in the land register.

There is thus a very clear demarcation established from the outset between the two several component parts of the transaction—finance, involving liability, on the one hand, falling to the share of the vendor; and on the other effective oversight, coupled with assistance by a safe guarantee, which falls to the share of the State. That separation has hitherto been consistently upheld, and it is unquestionably in great part accountable for the success obtained. The State merely watches and controls—giving its limited guarantee accordingly—but takes no risk whatever. It acts in the matter through the General Commission, whose office in this connexion is twofold. In the first place, it is to make sure that the State, in giving its guarantee, runs no

manner of risk. The State is to grant the use of its credit, but only so far as such is secure. Through the *Rentenbank*, an institution existing for the purpose, it issues, under the direction of the General Commission, landbonds guaranteed by itself and secured—not to the purchaser, to whom the State answers with all its assets, but to itself—upon the properties dealt with.

Those landbonds bear interest at the rate of either  $3\frac{1}{2}$  or else 4 per cent. The interest upon them is met by the terminable rent charge levied, severally for  $56\frac{1}{2}$  and for  $60\frac{1}{2}$  years, at the same rate of interest, plus, in either case,  $\frac{1}{2}$  per cent. sinking fund. Such landbonds are intended in *real* satisfaction of the vendor—though of course he will have to take the chance of depreciation. To make the bonds the more readily saleable, they are issued in part in small denominations, down to 75 and even 30 marks—which has been found too little—and more commonly 100 marks (£5) and multiples of that figure. In 1895, the  $3\frac{1}{2}$  per cent. bonds were quoted at very near par. They have since depreciated, like all other values; but the *Rentenbank* has, by arrangement, substituted 4 per cent. bonds, which maintain themselves at about par and run for a shorter term, imposing a correspondingly heavier charge for the time upon the purchaser. The remaining fourth of the ascertained value remains at the vendor's charge, unless he can either persuade the purchaser to pay it down or else can dispose of his claim to a third party. He is not bound to exact it all from the purchaser. In point of fact, under a safeguard still to be spoken of, he has found himself enabled to let the purchaser off with very much smaller payments, down to one-tenth and less. But that only leaves him with so much more unrealized claims upon his hands—unless he can discover a public-spirited public institution, like the Old Age Pensions Fund of Hanover, to step into the breach, volunteering to take over, as it actually does,  $\frac{3}{20}$  (beyond the  $\frac{15}{20}$  taken up by the *Rentenbank*) as its own investment.

In the Polish provinces, the admirably organized Polish co-operative credit associations find that, thanks to the substantial backing which a patriotic feeling enlisted in racial self-defence will supply, they can advance, on *personal* security, the full remaining fourth (or third) of the purchase money, wherever such aid is required. All this is, once more, possible thanks to the practical

safeguard still to be explained. It does not follow that the vendor will really find himself burdened with all the remaining money claim—which is intended to stand as a buttress at the back of the State loan, securing the latter. For if the price agreed upon should be less than the valuation, he will receive so much more in landbonds. Say that his property is valued at £10,000 and sold at £9000, the *Rentenbank* will issue £7500 in landbonds, and if the Hanover Old Age Pensions Fund or a similar institution were to advance a further  $\frac{3}{20}$ , that is £1500, on second mortgage, he would find himself fully paid. The reverse would happen if the purchase price were to be fixed at £11,000. Whatever remains unpaid, however, is left on the vendor's hands, with all the risk of loss attaching to it, supposing, say, that the purchasers were not to keep up their payments. That liability has, in practice, been found irksome. And a still heavier burden rests upon the vendor in the shape of much money to be found for necessary preliminary expenses, such as clearing off mortgages. The providing of such money on credit—which requires considerable security to be offered—has become a recognized branch of business, but unacceptable to ordinary financial institutions. It is transacted in the main by the Prussian State bank, the *Seehandlung*. To relieve the vendor of all such risk and trouble—and also to secure a profit out of the transaction for the party interposing—during the last seventeen or eighteen years special societies or companies have been formed in a variety of ways. The precise shape which such organizations had best take is a point still under debate, and further attention will have to be called to it, inasmuch as the matter affects the main principle.

Keeping the State safe in its issue of landbonds is, as already observed, only one of two great functions committed to the General Commissions. The other is to provide for the solvent and promising establishment of the new settlers—not solely in their own interest, but also in that of the community; for land settlement is looked upon as a public concern. The General Commission is unquestionably exacting in its demands upon the vendor. It wants the new holdings well laid out, so as to promise to “maintain their man,” compact, accessible, provided with water, drained, with sufficient of the preceding years' harvest in



stock to last to the next, with communal (parish) services provided for, and a school—it may be a church—within easy reach. The General Commission does not insist upon the buildings being ready set up. Quite the reverse, it rather favours the incomer setting up his own buildings according to his own choice, so as to avoid complaints and to ensure economy. For such purposes it provides plans for the settlers to select from, and also all the building materials at wholesale prices. Beyond this, it takes care that there is not too much profit dropping into the vendor's pocket. He is tied down to a limit. He is to receive a fair price for the property *as a whole*. But the additional value resulting from its partition into small holdings is considered to be due to the new settlers as a body, or rather to their newly created community, or village, which in this way often enough starts with a fund in cash at its collective disposal. This means no hardship to the vendor, and is not felt as such. Societies and companies acting on the vendor's behalf or stepping into his place are tied down to a commission only, the rate of which is settled beforehand.

All these things the General Commission takes care to see attended to. In the general interest, it goes even further. With the help of a Government grant, which now amounts to £25 per holding—but £40 in the case of a labourer's holding, and even £50 if such labourer's holding should happen to be situated in a Polish province—it provides the new occupiers with technical schooling, with fruit trees of approved sorts, perfected implements and seed, with village libraries and much more, but mainly schooling. Occupiers are to be taught to cultivate "intensively," growing remunerative "industrial" crops and not merely rye and potatoes. Lately the General Commissions have gone so far as to provide bulls and boars of approved breeds for breeding purposes, which have of course in the end to be paid for in covering fees by those who use them.

Now in doing these things the General Commissions may, conceivably, under the Government's directions, be sometimes going a little farther than is really called for. The large landowners, who accountably take their own view of things, object to it as overfavours the peasantry. They call it "coddling." It used

not always to be done, but under the wave of humanitarian sentiment now swamping purely economic considerations, it is held to be desirable, if not necessary.

Whatever be thought upon this particular point, the general policy pursued in the matter by the Prussian Government has resulted in what many people consider the most brilliant success achieved since the great land reforms of Stein and Hardenberg.

The machinery of the Prussian scheme having been explained, it may be well, before adverting to one more special point which calls for attention, to review briefly the main principles which underlie that scheme and are accountable for its success.

The first of these undoubtedly is that the whole transaction is conducted as a voluntary act, in which the interest of the vendor is particularly enlisted and he is made, not a resisting, but a promoting party. Things could never have been brought to work so smoothly if it had been otherwise, if there had been compulsion, and if some body other than the vendor—whatever body that might be—had been entrusted with bringing the purchaser to the market. We have recently had a return presented showing what are the successes and failures of our newly introduced land settlement policy, and the result has been pronounced not unsatisfactory. But nothing like the same percentage of failures or uncertain results has occurred under the Prussian scheme. The proportion of failures is absolutely trifling.

It is the vendor, then, who selects his men and—this is the second cardinal point—it is also he or, as a later development, a body representing him, who takes the financial responsibility. The State, County Councils, Public Departments and the like are altogether kept out of this function, and for good reasons. The interference of the State or of any other public body—we see the effect even in the landowners' societies now taking a hand in the work—must have been only too likely to introduce political considerations. Next, the experience of the Depolonising Commission (*Ansiedlungscommission*) endowed with much money, and acting purely for the Government, has shown that the State itself cannot transact such business otherwise than at an extravagant cost—and not satisfactorily at that price. There is only one person likely to study at the same time utility and

economy and to keep himself free from bias, and that is the person having the most direct financial interest in the transaction. The vendor, being wishful to sell his property, and naturally anxious to obtain a good price, may be trusted to do his best to put the matter upon a businesslike footing. And he is evidently also the proper person to answer to the State for the use of its credit, given in the shape of landbonds, by placing his own claims temporarily in the last place, as covering those of the State.

Such arrangement enables the State to act, financially, merely as *bailleur-de-fonds*, provider of the equivalent of part of the purchase money in the shape of landbonds, which, so safeguarded, involves it in no manner of risk.

And it also enables the State to perform, without any suspicion of partiality, the even more important part of adjudicating upon the schemes submitted. To such supervising authority it is entitled on public grounds and also as staking its credit. It exercises this function, as already observed, through the General Commission, which is a quasi-judicial body, unfettered by any political considerations, and having only the common good to think of, as providing for the settlers' holdings on which, giving their labour as *working* peasantry, they can subsist. The authority above it is not a political, but the purely judicial body of the *Landesculturrath*. Being called upon to see that the settlements should be self-sufficing, it, in the first place, provides, not for holdings standing *per se*, but for peasant communities, villages, if you choose so to call them. There is to be a group of settlers large enough to enable such to avail themselves of co-operation, if not to provide altogether for their own local self-government. Accordingly the claim to holdings—formed in different sizes though none quite small—is not limited strictly to the agricultural calling. There must be artisans in the village as well—artisans, that is, who are at the same time also cultivators.

The Prussian law admits of very easy protection against abuses, such as subdivision, agglomeration, over-mortgaging or misemployment, let alone traffic in drink. The last-named may be prohibited or limited. The other abuses are guarded against simply by an entry in the land register, which makes further disposal of the holding illegal without the authority's sanction. The right

conceded under our Act of 1897 to "cautioners" seems in some manner to correspond to this. In some cases a right of pre-emption in case of projected sale is secured to the State; but that is mostly on Germanising and Depolonising grounds. Under the other arrangement the new holder is perfectly free to deal with his holding in a legitimate way, and not a few holdings have accordingly been sold—invariably at a profit. But the safeguard adopted prevents abuses such as have occurred, for instance, in the *Cité Ouvrière* of Mülhausen.

A further safeguard, accounting to a very much larger extent for the success achieved—and applicable of course only where the State's interposing action is, as in this case, limited to control—is that the General Commission will not approve of any settlers who cannot show—apart from the possession of the requisite working capital, upon which point concessions may be made—that he is competent as a practised agriculturist to take charge of his holding. This permits the General Commission to stretch points in respect of finance, and also enables the Hanover Old Age Pensions Fund to provide  $\frac{3}{10}$  of the value. *Tant vaut l'homme, tant vaut la terre*, so says the Berrichon. Once more, on this ground, the General Commission has experience to go upon. The depolonising *Ansiedlungscommission* has taught it what danger there is in settling unsuitable persons—solely because they are Germans. The late President von Wittenburg has complained to me bitterly of his disappointments—I remember more particularly one or two cases of village schoolmasters. We do not yet appear fully aware of the great importance of having only personally competent settlers. We are quite ready to settle tinkers, tailors and candlestickmakers. Our happily defunct English Land Colonization Society, for instance, fell into several gross mistakes which, in the retrospect, seem ludicrous. Agriculture, even small agriculture, is a calling that requires to be learnt and studied. Hence the value attached in Prussia to technical schooling. The General Commission and some Landbanks and Land societies go a little further. The *Ansiedlungscommission* has settled people from all parts of Germany, and even Switzerland, on Polish soil—advisedly so, and not without so securing for these men the substantial advantage of mutual teaching. The General

Commission favours men coming from within a reasonable radius of the land to be settled—men acquainted with local conditions and broken in to local ways and local markets, more especially if they have friends near, the presence of whom is found an appreciable help. With such local links, and the requisite *expertise* secured, the financial conditions prescribed become a matter of less importance, upon which—and this is of course a great point for incoming settlers—certain concessions may be made. For a good man, a comparatively small payment is considered sufficient. But the General Commission will not have mere townsmen as settlers. On the other hand, rural men coming back from towns are made welcome.

Such are the great lines regulating the Prussian method, and it will not be found easy to improve upon them, so far as principle is concerned.

And all this need not necessarily cost the taxpayer any money beyond the salaries of the officers employed. The taxpayer is indeed at present, as has been shown, made to contribute £25 towards every holding; but that is only an additamentum of expanded generosity, which has been done without. When, in 1894, I questioned President Metz, at that time presiding over what was, I believe, the most active and certainly a most satisfactory General Commission, acting in Brandenburg and Pomerania, with respect to the cost occasioned, his reply was: "You will not find that what I have been doing has cost the State anything." The authorities disposing of taxpayers' money have grown more lavish since; but there is no actual necessity for this.

However, undoubtedly there is one weak point in the machinery, as originally constructed. The burden laid upon the vendor, when acting for himself, has proved inconveniently heavy. There is money, as it happens, in the financing of him all the same, provided that there is a well-filled purse to bring to the job. And that has been the inducement which has led various societies and joint stock companies to step into the field and offer to take the burden off the individual vendor's back. Such interposition has been carried out in more ways than one. Societies, of a public-service-plus-five-per-cent. character, have been formed to act as intermediaries. However, the requirements in capital have

proved excessive for them, and there have been other drawbacks. Work of this kind is still carried on, but it has been found that it cannot stand by itself alone and its outturn is not very considerable. Genuine business enterprise, for business' sake, has accordingly been called in to aid, capable of raising enough money for the purpose, because there is the reward of a fair dividend at the end of the transaction.

The most successful of such, altogether business-like, joint stock enterprises is that of the Berlin "Landbank," a company having £1,000,000 share capital, by this time a very fair reserve fund and, in addition, another £1,000,000 to dispose of, raised by debentures secured upon its assets. President Metz, who is now, as President of the *Landesculturrath*, at the head of the entire movement, considers this the most satisfactory solution of the problem yet attained. It leaves the several distinct functions in the transaction—financing by private capital and supervising by a public authority—clearly separated, as it is the governing principle of the scheme that they should be; but it greatly eases their action. With such ample working funds to draw upon, as has been shown, the "Landbank" is in a position to do a considerable business without any fear of finding its resources crippled by outstanding claims for unpaid purchase money. The landbonds of the *Rentenbank* are of course available for its use, and it does a great deal of business with their help. However, often enough it proceeds independently, having other financial institutions to fall back upon, which are ready enough to invest their money in its good mortgages, such as *Landschaften* and public savings banks.

The "Landbank," like similar institutions, began by acting simply as the vendor's attorney—for a consideration. All practising organizations do so still, so far as such service is required, and in that case they simply draw a commission. However, the possession of large funds has enabled one or two of them, most notably the "Landbank," to undertake partitions also on their own account, buying out the vendor first—on the understanding that the property is to be subdivided. Thanks to its large capital, the "Landbank" is enabled to act less timidly in the matter than individual owners. It buys up estates in what it considers to be likely positions and offers the land for sale in

holdings, just as in this country Major Poore has done on a much smaller scale at Winterslow, and Sir Thomas Edgcumbe at Rew. Such enterprise, carried out with judgment, is found to involve no serious risk. The "Landbank" avowedly works for a profit for its shareholders. And to earn such at a more ample figure—last year it paid  $6\frac{1}{2}$  and in previous years 7 per cent.—it engages in other cognate business, buying up more or less neglected large properties in order to resell them when put in proper condition. That is perfectly legitimate and does not in the least interfere with the more useful work of creating small holdings. In itself it has proved decidedly useful, for, with its traditions of landholding for appearance sake and mortgaging, Germany owns a very large number of undeveloped properties. This additional business accounts for the substantial breadth of land dealt with by the Company in the fifteen years of its existence—1,600,000 acres bought and 1,500,000 acres sold.

The large landowners, however, very naturally regard the matter in a rather different light: *tunica pallio propior*. They have themselves to think of. They are willing enough to have machinery provided, by which those among them who see reason to wish to sell their land may do so conveniently and expeditiously. But from the outset they have given anything but a warm welcome to the new villages of independent peasant properties "dumped" upon them, as they think. They find such Naboths inconvenient neighbours. They would have *labourers*—of whom there is a great dearth—settled in their neighbourhood and provided with the benefit—doubtful under the circumstances—of holdings insufficient to maintain them independently of labour, in order that they themselves may have sufficient "hands" to rely upon. But self-sufficing peasantry are another matter. They are also not indisposed to get rid of troublesome "points," as they call them, that is, projecting corners of their own properties, mostly of inferior value, which are considered good enough for settling peasants. That is of course a different thing altogether from settling peasantry in groups large enough to provide for each man's wants by co-operation. The settlement of "Labour" on the land was not contemplated in the original plan. The Government at first thought solely of self-sufficing peasant

holdings. I saw the first experiment made in the settlement of *industrial* workingmen on a property near Bromberg, in 1898. That, once more, is a totally different thing from the settlement of *agricultural* labourers intended for the convenience of adjoining large properties. Very much is in this connexion made of the plea that organizations undertaking the creation of small holdings as a public duty should be "public, self-administering bodies," not profit-seeking joint stock companies, on the one hand, nor institutions dependent upon the Government, on the other. The plea is specious, but misleading. The main pillars upon which the success of the Prussian scheme has been built up have been found to be Government supervision and private finance. And that is the reason why, at a public conference, at which literally all parties interested in the matter were represented, convened in 1909, the predominating opinion was found to be in favour of the scheme as actually adopted.

There are, however, several societies formed on the landowners' lines now in existence, although a larger number have been compelled to shut up shop for want of sufficient funds. Some there are which pursue distinctly anti-Polish aims and are accordingly much patronized by the Government. Others at any rate bid for public support by advertising effective safeguards taken against their land ever falling into Polish hands. Generally speaking, they cannot make ends meet, and subsist only thanks to their endowment with public money—the State, the Province, and other public bodies taking up, in one case, a full two-thirds of the share capital issued, upon which they do not rigorously exact dividend. The remaining shares are limited to 5 per cent. The transactions carried out by these bodies are not very large.

One could scarcely recommend organizations of this sort for adoption in this country. However, the thoroughly businesslike procedure of bodies like the "Landbank" appears to supply a method which might well be put to a test among ourselves. The truly remarkable success of M. Decharme's latest departure in the application of "Agricultural Credit" in France, providing public money for loans to landless labourers and very small holders, for acquiring freehold land or adding to their possession of such, so as to make it sufficient for future maintenance, seems to augur



all the more promisingly for success among ourselves of similar measures adapted to our case. For whereas in France land is already much subdivided, our landless class of rural folk is large. In France, it is found that "hundreds of millions" (of francs) might have been employed in the manner described in the very first year, had funds been available. Going on the German precedent, as being presumably better adapted to our case—supposing the Government were to show itself willing, with the consent of Parliament, to appoint official bodies corresponding to the "General Commissions"—there ought, so one would think, to be no serious obstacle standing in the way of the formation of a financing body like the "Landbank," to provide the means and carry out the work. The matter at any rate appears worthy of consideration. In my opinion the result could not be doubtful.

HENRY W. WOLFF.

## SOME THOUGHTS ON TARIFF REFORM.

TARIFF reformers who are impatient because their hopes are not immediately realized will do well to recall the history of the Anti-Corn Law agitation, and remember how much the success of that movement was due to the coincidence of two things, the failure of the wheat harvest in Europe and the potato blight in Ireland. "Famine against which we have warred," said Mr. Bright on this occasion, "has come to our aid"; and the Duke of Wellington expressed the same sentiments in more emphatic language.

From an economic standpoint, the two great evils in existence in the early part of the nineteenth century were the high price of corn and the violent fluctuations in its price which occurred from time to time. It is often supposed, and the idea has been encouraged by the careless statements of free traders, that both of these evils were removed by the abolition of the Corn Laws. This is a popular fallacy. The great fluctuations in the price of corn, from which all classes in their turn suffered, ceased with the improvement of transport facilities before the Anti-Corn Law Association was formed. Nor did any marked fall in the price of corn take place till twenty years after the Corn Laws had been repealed. Statistics have also revealed the curious fact, unknown to the agitators of those days, that the price of bread bears no fixed and constant relation to the price of wheat, but has an independent variation of its own.

The Anti-Corn Law agitation did not stop at the abolition of the Corn Laws. It developed into a movement for the removal of all restrictions on trade. Commerce, like everything else in the land of liberty, must be free; that was the inspiring idea. The cry of cheap food had attracted the masses. The doctrine



kind of millennium which figures in the dreams of a certain class of enthusiasts. But the world was not converted. Even Great Britain's own colonies, with a single exception, New South Wales, refused to accept the new doctrine. They declined to follow the example of the mother country ; at the present day the tendency of the fiscal policy of all the world, save ourselves, is increasingly in favour of protection ; and the single British colony (New South Wales) which, before the Commonwealth of Australia was instituted, had declared for free trade, has now been convinced by practical experience of the overwhelming advantages of the policy of protection.

Ever since the time of Adam Smith, the idea of free trade is one which has found favour with political economists in all countries : with men who are concerned with theory and not practice, with things in the abstract and not in the concrete. There is something attractive to all minds in the notion of complete freedom of commercial intercourse, in the idea of trading operations being untrammelled by any restrictions, whether imposed in the interests of a government for revenue purposes, of a class by way of protection, or of humanity in the shape of factory laws. The doctrine of free trade has thus always been invested with a certain glamour ; and when it is associated with the cry of cheap food, and with specious but empty phrases about buying in the cheapest and selling in the dearest market, its attraction for the multitude, and for that section of theorists who are always seeking for universal laws with the eagerness which distinguished the alchemists of the middle ages in their quest for the philosopher's stone, and who would rather legislate for the whole world than for the particular needs of their own country, becomes well-nigh irresistible.

Many, even of those who have learnt by experience to distrust the effects of free trade in England, hold the view that, though free trade in its present restricted practice may not be a good thing for us now, it would be a good thing for all the world, ourselves included, if all countries adopted it. It suggests itself, in fact, to many people, even those in sympathy with tariff reform, as an ideal policy if only every one would adopt it. But this, we submit, is quite an erroneous notion. Not even if all the world

became free traders would free trade be a wise policy for all concerned. Its universal adoption instead of being a blessing to all countries would bring ruin to many. And the reason is simple. No two countries are equally favoured by nature. The law of inequality prevails everywhere. Nor has the distribution of nature's bounties ever been regulated in such a manner all over the world as to ensure the production in each country, for exchange with others on free trade principles, of only those commodities for the production of which it alone is peculiarly and exceptionally adapted. Some countries enjoy special advantages denied to others; and the result of the universal adoption of free trade would be that in the course of time those countries with the greatest natural resources, those placed in the most favourable position for developing manufacture and trade, would become more and more prosperous, while other countries, more heavily handicapped in the struggle for existence, would gradually sink into poverty. We see, therefore, that the idea of free trade for all the world is a fallacy, and that Cobden's description of free trade as "the international law of the Almighty" is very far from the truth.

No trade can really be free anywhere, not even in England, so long as imports are taxed for revenue purposes, and other legislative restrictions exist; and the tendency in modern times is for all kinds of restrictions to increase rather than diminish. But our present free trade system is not free trade at all. This fact was brought out very clearly in the early eighties, when the first revolt against free trade occurred. The leader in this counter-movement was a Lancashire man, like Cobden, and he argued that for free trade, which was a sham, we should substitute a policy fairer to ourselves which he called Fair Trade. In the course of the controversy on the subject which was then reopened, many pamphlets were published on both sides. The title given to one of these, "Half a pair of scissors," rather aptly expresses the one-sidedness of our present system, under which our markets are opened freely to all the world, while foreign markets are open to us only on terms in the settlement of which we have no voice. This so-called free trade system of ours is regarded by all the world with the same feeling of amazement which is evoked by

our attitude towards conscription, and appeals to the unprejudiced observer as the sort of doctrine which Don Quixote, had he concerned himself with fiscal questions, might have unfolded to the ears of Sancho Panza.

But, we are told, there is the most favoured nation clause, described by Mr. Gladstone as "the sheet-anchor of free trade." It certainly helps us, but it does not go very far. It secures to us in the case of a particular country to which we happen to be exporters, *if that country chooses, by treaty, or special legislation, to give it to us*, the benefit of the minimum tariff imposed on goods of the same kind exported there by other countries. It gives us, in effect, sometimes the results of other people's bargains, but it does not enable us ever to bargain for ourselves. And this surreptitious benefit—rendered more precarious from day to day by the growing tendency of modern tariffs towards minuteness of classification—naturally does not extend to articles of our home production which, not being produced elsewhere, do not figure in the conventional tariffs of other countries. In respect of these we are at the mercy of the foreigner, who may, and often does, impose a rate of duty so high as to exclude them from consumption.

Nor does the matter end here with the loss of dignity, prestige, and importance in the world. Our most favoured nation clause is an *unconditional* one, adapted to the circumstances of a nation, which, admitting all goods free of duty (except that imposed for revenue purposes), has no further concession to offer to any one. It provides, therefore, simply that any advantage given to any one else is extended freely to us. But some countries—America, for instance—prefer a *conditional* form of most favoured nation clause. Under this, a concession given *conditionally* to any one state can be claimed by another only in return for the same, or an equivalent, condition. And if this were enforced against us, we might find ourselves shut out even from the benefit of other people's bargains.

A point on which great stress is laid by tariff reformers is the revenue aspect of tariff reform, in other words, the question of taxation. Arthur Young's idea of the right method of taxation was that the basis should be as broad as possible. He may have gone too far in his contention that the soundest method was to

place light duties on many articles, and not heavy duties on a few. Free traders went too far in the other direction. In their zeal for the freedom of trade, not that of the person conducting it, they seem to have been led away by one idea in respect of taxation, that of simplicity. To this, everything was sacrificed. A present Cabinet Minister speaks of the simplicity thus introduced into the Customs tariff as "being the envy of all nations." But he qualifies the remark with the admission that the nations in question "have unfortunately not extended to it that imitation which is the sincerest form of flattery." In fairness, it must be admitted that the antiquated and confused condition of our Excise and Customs duties at the time of the Anti-Corn Law agitation was, to some extent, a justification for the course adopted. Both Excise and Customs included many duties which were both burdensome and unprofitable—the worst character that can be given to a tax. The statesmen of those days deserve credit for all that they did to remedy this state of things. Peel found the Customs Tariff with over one thousand dutiable articles. He abolished the duties in the case of no less than six hundred items. And to the efforts of Mr. Gladstone and others who succeeded him, we owe the fact that whereas, as Mr. Buxton tells us, "the Customs Act of 1853 covered some ten pages of small type in its enumeration of articles subject to taxation, the Customs Act of 1900 could have been printed on a sheet of notepaper." We gladly allow the necessity for reform which then existed. There was much which required revision; much which needed to be swept away. But the reformers went too far. They swept away everything, the good with the bad. It was as if a housemaid, in sweeping away cobwebs from a wall, should go to work so vigorously, as to damage the wall-paper, and break a valuable picture or two in the process. Everything in the shape of indirect taxation, except some duties on staple articles of consumption, retained for revenue purposes, was swept away, and instead of the system of taxation standing on the broad basis which many persons agree with Arthur Young in regarding as essential, the picture presented when the work of taxation reform was accomplished was rather that of a pyramid standing on its apex.

Tariff reformers hold that, if it is necessary to have a Customs

tariff for revenue purposes, duties should be imposed on imported articles which enter into competition with our home productions, rather than, as is the case now, on those which we do not produce at all. They also advocate the policy of preference within the limits of the Empire. Some of us, moreover, think that a revenue duty should be imposed on the export of coal. Coal is what political economists term "a form of capital which cannot be replaced," and its supply is not inexhaustible. Consumed at home, its full value is utilized in the interests of the nation. Used abroad it benefits only the coal owner and miner, and it helps the foreigner to compete with us. This is especially the case with Welsh Steam coal, for which there is always a great demand for the merchant shipping and the navies of the world.

Protectionists have always held that indirect taxation possesses two great advantages over direct taxation. It is optional, except when absolute necessities are taxed; and taxation is spread over a larger area. When, moreover, the indirect duties are not Excise, but Customs duties, they have the further advantage of causing a portion at least of the burden to be thrown on the foreign producer, or others, and not the consumer in the country of importation. This question of who pays the duty in the Customs taxation of imports is one which has always been in dispute. Until recently free traders declared that the consumer paid the duty in all cases, and that therefore a Government in taxing imports, taxed its own people. The latest writings, however, of the advocates of free trade show a tendency to modify this view. The position taken up by most protectionists, which seems on the whole to be reasonable, is that where there is no competition between imported goods the consumer pays the tax, and that where there is competition, most, if not all, of the duty is borne by the producer, or others, but not by the consumer. In other words, if the source is *foreign* only, and *single*, the consumer pays; if the sources are *double*, or more, but *foreign* only, the producer or others pay; if the sources are many, and both *domestic* and *foreign*, the foreign producer, or others (excluding the consumer) still pay. Of course if the tax is too heavy, the trade in that particular commodity is killed.

Another point in regard to which we are at issue with free



traders is their explanation of the great commercial prosperity enjoyed by Great Britain after the adoption of the new commercial policy. All but the very moderate section of free traders claim this prosperity as the result of free trade. Never surely was a more extravagant claim advanced. Those who make it ignore the invention of steam, destined in the words of George Stephenson "to open the floodgates of commerce throughout the world"; they take no account of the many other inventions and improvements of the nineteenth century, of telegraphs, telephones, penny postage and improvements in machinery; they shut their eyes to the growth of exchanges, the development of banking, and all the other changes, small and great, which together make up the progress of the world. Surely it is not saying too much to suggest that to all these things, more than to free trade alone, is due the commercial prosperity of England, which was apparent at that time. Protectionists prefer, at any rate, to think so, and when free traders point to the constant increase of British trade which is still going on, they reply that this increase is one which is common to all the world. There is an increase in the total volume of British trade, just as there is in the total volume of the trade of the world. When, however, we come to compare our own rate of increase with that of several other countries, we see that we are falling behind in the race. It is well not to lose sight of the fact that the material progress of the world is likely to last for a good while yet. The opening up each year of fresh tracts of virgin soil in some countries, and the growing extension of railways, telegraphs, and telephones in others, is a process going on before our eyes, and as long as it lasts there will be an increasing demand for the goods of all countries. We shall doubtless get our share. But if the increasing tendency of all countries to raise their tariff walls higher and higher means anything, it means that this share will dwindle from day to day, unless we place ourselves in a position to defend our interests when and where they are attacked, and, instead of being content to benefit by other people's bargains, come forward boldly and bargain for ourselves.

It has already been pointed out that New South Wales **was** the only British colony which imitated the free trade policy of the mother country, and that she **has** since become protectionist.

Great Britain and New South Wales are the only two places where both commercial policies have been tried. We began with protection and ended with free trade. She has reversed the process ; and the satisfactory results for her of this change, which was not voluntary on her part but a necessary consequence of federation, were described in a letter written by an Australian to the *Morning Post* in the summer of the year before last.

There is no reason to doubt the correctness of the facts stated in this letter. They confirm some main points in the contentions of tariff reformers, and the fact that the results mentioned have occurred in so short a period is most encouraging, for in the region of things with which political economy deals, the connexion between cause and effect is often both slow and difficult to trace.

The cause of tariff reform has also been strengthened by Canada's decision against Reciprocity with the United States. To the farmers of the West of Canada, the proposed arrangement offered the welcome prospect of larger markets for their produce, and cheaper machinery ; those interested in the pulp industry, and others, stood to gain also by the change. And when the agreement was actually signed by the free trade premier of a liberal ministry it looked indeed as if Canada, tired of giving something for nothing to the mother country, had decided to throw herself into the arms of America. In which case it would have gone very hard with tariff reform, as President Taft suggested. But fortunately the question was referred to the people of Canada, whose good sense and patriotism rebelled against an arrangement which was regarded as certain to lead Canada in a direction opposed to her true interests. From this momentous decision free traders may learn the useful lesson that sentiment plays an active part in human affairs, and is a factor with which both statesmen and political economists have occasionally to reckon. The rejection of the agreement has had an unpleasant and quite an unexpected result for the United States. The amendment of the tariff which admitted Canadian wood-pulp duty free was put into force as soon as the Reciprocity Bill became law. America now finds herself in the position of giving Canada something for nothing, while, at the same time, she is confronted with demands from Sweden, Norway and

Germany, which claim on the basis of the m.f.n. clause the same treatment as the country thus specially, but unintentionally, favoured; and her position would be rendered still more embarrassing if Newfoundland were added to the list of claimants.

The attitude of our Colonies towards the policy of free trade, the results which have followed the change of system in New South Wales, and Canada's recent decision have all been distinctly discouraging to free traders.

Nor can they derive much encouragement from the policy pursued by Japan, the last country to join the ranks of the Great Powers. Her hands were tied by the old treaties till 1899, and between that date and last summer, when the 1899 Conventions expired, she was not altogether free to arrange her tariff as she would have liked. But from the first the indications were clear that the policy of protection, and not that of free trade, attracted her; the moment she recovered, though only partially, her liberty of action, she proceeded to carry out that policy, so far as she was able to do so, and the commercial treaties recently negotiated bear striking witness to the principles she favours. Like most protectionist countries, she goes further in her policy of protection than moderate tariff reformers in England are inclined to do. But the system on which this policy is based is not different from that which finds favour with us. Stated in a few words, it is to let in raw materials duty free, and to treat half manufactured articles more lightly than those which are fully manufactured; the idea which underlies it being to utilize the products of her own industry as far as possible, and give employment to labour at home.

It would not be fair, for the reasons already stated, to claim for protection all the credit of Japan's phenomenal progress in trade, but some of it may be fairly ascribed to the influence of a policy which has, even during the period when her fiscal liberty was most restricted, inspired all Japan's commercial legislation.

The rapidity and the extent of this progress will be seen by giving the total values of her foreign trade in five different years, beginning with 1874. In that year, her foreign trade amounted, roughly speaking, to £4,000,000. In 1884, it was £6,000,000. In 1894, it had increased to £23,000,000. Ten years later (in

1904) it had risen to £69,000,000 ; and in 1908 it was no less than £81,000,000. From £4,000,000 to £81,000,000 is rather a big jump to make in less than 40 years. But the trade of the previous year, 1907, had reached a higher figure still. The total came to over £90,000,000. For this fall in 1908, an explanation which agrees with what we know of Japanese practical instincts has been suggested. It is this. The Japanese Government have no faith in the *laissez aller* methods of free trade—in the doctrine that everybody should be left to do as he likes. They believe on the contrary in State direction, in the careful supervision by government of everything, including trade. In the course of the year 1907, it occurred to them in studying the question of the balance of trade that there was reason to think that Japan might be living beyond her income ; so they issued a decree preaching economy—a thing done both in Japan and China from time immemorial. The people reduced their purchases of foreign goods, and the result was shown in the trade statistics of the following year.

There is one other point to be mentioned before leaving the subject of Japan. Adam Smith said that bounties for the encouragement of herring and other fisheries caused vessels to be fitted out for the sole purpose of catching “ not the fish but the bounty.” This has not been Japan’s experience. She has lost no opportunity of encouraging the growth of industries by land and sea. And the result of her efforts has been, in many instances, to convert what was before a loss into a small but substantial gain. The help thus given has been just the turning-point, first giving life and hope to a struggling industry, and ultimately enabling it to attain a position of unassailable security.

When we come to the vexed question of the balance of trade, we reach the point where the gulf separating the tariff reformer from the free trader is perhaps widest. We import more than we export ; we have been doing so for a long time, and the balance against us is increasing every year. This much is admitted on both sides. But from these plain facts two opposite deductions are drawn. The tariff reformer suggests that we are living on our capital. The free trader replies that the balance against us is, on the contrary, a sign of prosperity. The optimistic view of the

latter, which dates back to the time of Adam Smith; seems in any case a dangerous doctrine, for pushed to its legitimate conclusion it lands us in the absurdity that a nation's wealth is in inverse ratio to its exports. Nor is the explanation that the adverse balance is redressed in some inscrutable way by the operation of the mysterious incomings and outgoings known as invisible imports and exports wholly satisfying. The truth is that knowledge of an exact kind as to the commercial position of a nation is impossible to obtain. There are only general indications, and these are often misleading. How frequently it happens that a business concern comes to sudden and unexpected grief, and it is discovered to the surprise of everybody that its condition has been unsound for years; the extent and complexity of its business having conspired to hide the true state of things. And if this can occur in the case of a business concern, with all its safeguards in the form of balance sheets, books and auditors, is it not conceivable that it may happen to a nation which has none of these things? In the light of these considerations, the tariff reformer who sees British trade following a course at variance with the general principles of business may be excused if he feels some uneasiness.

When dealing with the subject of Colonial Preference, free traders appear to overlook the fact that this is no new thing, but was a recognized feature of our commercial policy long ago. Early in the last century, at a time when we were imposing heavy duties on imported corn on the well-known sliding scale, an exception was made in favour of Canada. Her wheat was admitted at what was a nominal duty, and in the years immediately preceding the repeal of the Corn Laws the tendency was to favour our Colonies more and more in this way. All that tariff reformers now ask for is a return to the condition of things which existed when wiser counsels prevailed. The Empire has, however, grown in the interval to an extent undreamt of by the little Englanders of sixty years ago, who wished to cut the painter and let the Colonies drift whither they would. Colonial Preference to-day is a bigger thing than it was then. It means nothing less than an arrangement which would make the Empire self-sufficing to a large extent, if put in force to-morrow, and wholly self-sufficing

in the fulness of time. In such a scheme, India should have a place, and to this she is all the more entitled because of the nature of the arrangement when made. It would not be a Customs Union on the basis of the fiscal relations which exist between the various States of North America, or of the German Zollverein. It would not be free trade within the Empire, but simply an understanding, open to modification as changing circumstances might demand, whereby the mother country should give her Colonies just the small measure of preference which would help the Empire all round—the small advantage over the foreigner which, in the opinion of a moderate protectionist like President Taft, the native producer should always enjoy in the home market. The Colonies would respond in the same way. But we could not in fairness to India leave her out ; we could not possibly, even if it were to lead to an extension not previously contemplated, deny her the advantages to be derived from this preferential policy, and lay ourselves open to the charge of exploiting her in the interests of the cotton and woollen manufacturers of Lancashire and Yorkshire. And with the inclusion of India, the arrangement would take a wider shape and become operative as a system of *Imperial Preference*.

People are apt to overlook the fact that protection has, what may be called, a moral aspect. It encourages self-sacrifice, thrift and foresight, and conformity to the very natural and, for nations, essential doctrine that charity begins at home. People are encouraged to forego a small present advantage in order to gain one more remote but incalculably greater. They are also encouraged to dispense as far as possible with things not absolutely necessary, to look ahead, to take a wider view of their interests than is possible when present profit and convenience alone are considered. And as regards the doctrine of charity beginning at home, if it is applied as it is to-day by so many people, when at some slight cost to themselves they deal with the local shop-keepers in preference to London stores, because they feel they owe something to the community in which they live, what should hinder its application to the field of larger national interests, when it is a question of discriminating between our own people and foreigners ?

## THE PUBLIC DEBT OF INDIA.

IN 1858 the administration of India was transferred to the Crown, and the debts which had been accumulated by the East India Company were taken over as the public debt of India. Large additional borrowing was made necessary owing to the expenses incurred during, and after the Mutiny, and the debt in April, 1862, may be estimated at Rs.96,000,000.<sup>1</sup> At that time the Indian debt resembled the English National debt in that it represented unavoidable expenditure due to expenses which could not be met from revenue, and also in that it was a dead weight ; a liability to which no assets were attached. In its later developments the Indian debt has come to resemble the public debt of Germany or of a corporate body such as the London County Council, debts which are not altogether a dead weight, and which are, to a certain extent, set off by valuable assets. The existence of such a debt is interesting as being the outward sign of the definite abandonment of a policy of *laissez-faire*, and the extension of State enterprise into the industrial domain. There has never been any attempt to assert the universality of the Physiocratic doctrine by applying it to a country such as India. Indeed, J. S. Mill, in a well-known passage, says :—

“ In the particular circumstances of a given age or nation there is scarcely anything really important to the general interest which it may not be desirable, or even necessary, that the Government should take upon itself. . . . This is true, more or less, of all countries inured to despotism, and particularly of those in which there is a very wide distance in civilization between the people and the Government, as in those which have been conquered and are retained in subjection by a more energetic and more cultivated people.” <sup>2</sup>

<sup>1</sup> *Indian Expenditure Commission*, Report, p. 44.

<sup>2</sup> *Principles of Political Economy*, vol. ii. p. 551.

Before 1850, State expenditure in public works had been confined almost entirely to the construction of buildings, such as barracks and offices, which were necessary to the actual working of the administration. But public works in the real sense of the word, that is, works of general public utility, did not yet enter into the plans of the Government of India; even the construction and repair of roads were almost entirely neglected. About the year 1850, however, a more vigorous policy was commenced; the construction and maintenance of roads was put upon a systematic basis; the construction of irrigation works *out of revenue* was undertaken, and a Government guarantee of 5 per cent. interest on all capital called up was given to the three companies who now undertook the building of the East India, the Great Indian Peninsular, and the Madras railways.

These measures constituted a decided step in advance, but as yet the Government of India made no distinction between expenditure which was productive, or rather, to use a less ambiguous phrase, economic in character and which should therefore, according to the ordinary commercial methods of book-keeping, be debited to capital, and expenditure which was unproductive or non-economic in character, and which should therefore be debited to revenue. The application of some external force was necessary to overcome the inertia inherent in any new policy before it is put into motion, and such a force was provided by the famines which devastated Madras in 1853, the North Western Provinces in 1859-1860, and Orissa in 1866. Just as the Irish Potato famine was a principal factor in bringing about the adoption of free trade by Great Britain, so the present borrowing policy of the Indian Government was largely determined by the famines of northern India. The experience of these famines showed that irrigation on a large scale was a matter of urgent necessity; it was known that many such works would pay their own way, but, at the same time, the revenues of India could not provide the funds necessary for construction of works on the requisite scale. Accordingly the advisability of constructing such works *out of borrowed capital* was conceded by the Secretary of State in 1864, and the new policy was definitely framed by Colonel Strachey in 1867.



“It was proposed that the accounts of the expenditure on such works (*i.e.*, works constructed with borrowed capital) should be kept separate from those of works supplied with funds from the ordinary revenues. Though the aim was to protect the country from famine, no project was to be taken up which did not promise to be fairly remunerative in a reasonable time.”<sup>1</sup>

With regard to the amount of the debt to be incurred Colonel Strachey says :—

“It was held that in making financial provision for these great works of material improvement consideration must be given to general rather than to particular results, and that so long as the aggregate net charge on their account, after taking credit for the income they earned, did not exceed a sum which the revenues could meet without inconvenience, it would not be an undue sacrifice on the part of the people of India to make for some years a contribution sufficient to secure the important objects in view, in the confident expectation that before long the growing income of the works would reduce the burden if not extinguish it.”<sup>2</sup>

The policy so begun was, in 1869, extended to railways. The measures by which Government had assisted the first development of railways in India, that is by guarantees of interest to private companies, had proved to be both costly and inconvenient, and it was therefore decided to borrow the necessary money and to construct railways by State agency. In another and more essential point also the policy of borrowing, as first framed, was departed from, for in several important instances the Government bought, or constructed with borrowed money works which could not be regarded as likely to become “fairly remunerative in a reasonable time”; works which, in fact, were not remunerative, and the expenses of which, strictly speaking, should have been charged against revenue. Under this scheme large sums were borrowed in England; but owing to falling exchange the burden of the debt payable in gold was found to be considerably greater than had been anticipated.

In 1878 and 1879 a Committee of the House of Commons considered the whole question of borrowing for the construction

<sup>1</sup> Strachey, *Finances and Public Works of India*, c. vii.

<sup>2</sup> *Ibid.*

of public works, and they recommended : (1) that no work should be thus constructed which did not strictly conform to the definition of a productive undertaking ; (2) that the principle of limiting capital expenditure solely by the capacity of the revenue to support the net annual charges on account of public works as a whole was unsound, and that in the future the maximum annual borrowing for public works purposes should be limited to such sum as was estimated to be available in the Indian money market ; (3) that all debt incurred for public works should be separated from the ordinary debt ; (4) that all capital expenditure on productive works supplied from revenue should be treated in the accounts as if it had been borrowed ; (5) that a sum equal to that which had been thus supplied should be transferred from the ordinary debt to the Productive Public Works debt, and that interest on that sum should be charged against the works. These recommendations have since formed the basis of the policy of the Government of India with regard to borrowing for public works ; they are of great importance and will repay a more detailed consideration. First, the strict limitation of borrowing for the purposes of those works only which are likely to support themselves may give rise to considerable difficulties, for there will be many projects, especially works of irrigation, which would be of enormous value as preventives of famine, but which would not quite pay their own way and which would be too expensive to allow of their construction out of revenue. Under the strict application of the rule these works could not be constructed, even though their existence in the event of a drought would be the means of saving an amount of wealth, in the form of crops, amply sufficient to cover many years' interest on the capital expenditure.

Secondly, with regard to the imposition of a fixed limit to the annual borrowing for productive purposes, it seems obvious that such a limitation is purely artificial in its nature, and is likely to hinder the development of important undertakings. The true nature of the case was better appreciated by Colonel Strachey who, in drafting the original scheme, proposed that borrowing for productive purposes should be limited with reference to the net annual charge for interest and not with reference to the

capital liability. "The public debt consists not in capital but in annuities"<sup>1</sup>; and so long as the sum of these annuities is kept within bounds, State borrowing in India for productive purposes should be extended as far as the credit of Government will allow. No doubt the capacity of the money market to bear additional calls will impose on State borrowing a limit which should not be overstepped, but such a limit cannot be fixed; it will vary largely from year to year, and so far as is consistent with a reasonable continuity of development of the works under construction. State borrowing should be adjusted accordingly.

Thirdly, with regard to the recommendation that all capital expenditure on productive works supplied from revenue should be treated in the account as if it had been borrowed, and that an equal sum should be transferred from the ordinary debt to the Productive Public Works debt, the working of the system may be thus illustrated.

"If, for example, in any one year Rs. 700,000 of revenue can be spared, that sum is expended on productive public works. In the accounts Rs. 700,000 are added to the 'Public Works Debt' on the one hand, and on the other hand, Rs. 700,000 are deducted from the 'Ordinary Debt.' The result is the same as it would be if the spare revenue of Rs. 700,000 had been applied directly to the purchase of 'Ordinary Debt' for cancellation and a sum of Rs. 700,000 had been borrowed for productive capital expenditure. Thus spare and surplus revenue is indirectly, but effectively and economically, applied to the reduction of Ordinary debt, for the charge and the possible loss accruing upon the two operations are saved."<sup>2</sup>

This brings us to the subject of reduction of debt, a subject which is, in Indian finance, somewhat obscured by unessential details, but which, in reality, is perfectly simple and corresponds closely to English procedure. In England debt is paid off by means of the "Sinking Fund" and by the application of occasional surpluses. Under the New Sinking Fund scheme a specified sum is marked off to be used every year for debt services. The excess of this amount over the interest charges is applied to the purchase of Government Stock. In addition to this fixed yearly

<sup>1</sup> Lord Grenville, *Essay on Sinking Fund*.

<sup>2</sup> *Indian Expenditure Commission, Report*, p. 44.

sum the Chancellor of the Exchequer, if he is fortunate enough to come in for a surplus larger than that for which he has budgeted, is obliged by law to devote this windfall to the reduction of debt.

Corresponding to these two methods for the redemption of debt are two similar methods used in India. We have just described the procedure under which surplus revenue is devoted to capital expenditure on productive works, the sum so devoted being charged to the capital account of the "Public Works" debt, and a similar amount being deducted from the "Ordinary" debt. This obviously corresponds closely to the English procedure of utilizing occasional surpluses for the reduction of debt.

Again the New Sinking Fund is paralleled by the Famine Insurance Grant of India. The history and character of this grant is somewhat complicated and has given rise to much discussion, but for our present purposes it is sufficient to say that the Government of India in 1878 thought it necessary to impose an increase of taxation amounting to Rs. 1,500,000 a year in order to insure against the expenses of famine. The proceeds were "to be applied either directly to the actual relief of famine or to the reduction or prevention of debt; and this amount or any part of it, might be invested in the construction of productive works likely to produce an income equal to the interest of the capital spent upon them."<sup>1</sup> The famine insurance grant is thus essentially a sinking fund, but it differs from the English sinking fund in one point.

"The English principle includes the surplus or sinking fund in the charge of the National Debt, and, whether the expenditure increases or the revenue falls, that is the first charge upon the revenue"<sup>2</sup>: whereas the famine grant is "a charge which will be duly honoured if the revenue and expenditure permit. . . . The Government of India has on frequent occasions been obliged to consider whether it should appropriate this grant to other purposes or put on fresh taxation, and it has usually decided that it would be unwise and impolitic to put on additional taxation in order to comply with the pledge that they will appropriate it in that year to famine insurance; but they never wilfully absorb the grant."<sup>3</sup>

<sup>1</sup> Strachey, *Finances and Public Works of India*, p. 186.

<sup>2</sup> *Indian Expenditure Commission*, Evidence, Q. 12, 102.

<sup>3</sup> *Ibid.*, Q. 12, 104.

To take a concrete example : if the expenditure of India for any year be estimated at Rs. A. the Finance Minister will, *if possible*, budget for a revenue of Rs. A.<sup>1</sup> Famine Insurance Grant, but if it is not possible to provide a revenue amounting to this sum without imposing additional taxation the Famine grant must suffer accordingly.

The restrictions on borrowing for productive purposes which had been advocated by the Select Committee of 1878 and 1879, and adopted by the Indian Government were somewhat modified in subsequent years. The limit of the annual borrowing was extended in 1884 from two and a half to three and a half crores of rupees, and was still further extended to meet the expense involved in the scheme of defensive frontier railways. Although these defensive railways were in no sense of the word productive works, yet the position of extreme tension which arose at this time between England and Russia rendered their construction a matter of vital importance.

“ Defence is of much more importance than opulence ; ” and accordingly “ the Secretary of State decided that the frontier railways were so urgent that they must be completed with the utmost speed consistent with economy, and that while their cost should, as far as possible, be provided from revenue, yet when the revenue available after meeting other essential charges of administration was exhausted, the Government of India should . . . prosecute the works with borrowed funds.” <sup>2</sup>

These railways are not expected to pay their own way, and their construction out of capital is therefore not justifiable from a financial standpoint ; but the real utility of such works cannot be measured with reference to the ordinary monetary standards.

In past years the Government of India has been much troubled in the matter of borrowing, by the existence of an unstable exchange. The comparative advantages of borrowing in England or in India has always been a question of some difficulty (we are now speaking of the days before the establishment of a gold standard), for to float a rupee loan in India implied the payment of a higher rate of interest, while to float a sterling loan in London implied the payment of interest in London, and, as has been

<sup>1</sup> *Indian Expenditure Commission*, Evidence, Q. 12, 102.

<sup>2</sup> *Ibid.*, Q. 8141.

previously explained, payments in London involved a constantly increasing liability owing to the continuous fall of exchange. The policy of the Indian Government has been to raise loans in India whenever possible. The Committee of 1884 in considering this question fully recognized the advantages of raising loans in India, but recommended that when the gain owing to the lower rate of interest in England more than counterbalanced the disadvantages of borrowing in that country the Secretary of State should not hesitate to have recourse to the English money market in order to supply funds for the construction of public works in India. On the strength of this recommendation eight million sterling was borrowed in London for public works purposes during 1885 and 1886 ; but the large fall in exchange ( $2\frac{1}{2}d.$ ) which took place between 1884 and 1887, "proved that the risk of the additional charge involved exceeded the benefit gained by the lower rate of interest in England ; and borrowing in England for State public works has ceased since then."<sup>1</sup> As a matter of fact, however, loans raised in India are only to a small extent drawn from the Native money market ; a large proportion is, in reality, provided by the English money market and by Europeans resident in India. It has, therefore, been held by some that to raise loans in India is merely a roundabout, and somewhat expensive method of drawing upon the English money market.<sup>2</sup>

Even now that the establishment of a stable exchange has done away with the most important of the evils which arose from the policy of raising loans in England, the Government of India still continues to borrow so far as possible in India, having recourse to England only when the Indian money market is exhausted.

Borrowing in India, perhaps, is slightly more expensive, but it is politically advisable. A favourite theme for the Indian agitator is the " drain " of interest and other charges which is paid every year to England without any material return, and, however slight the foundation for this grievance, its existence must be recognized.

We have already seen that a large portion of the Indian debt is set off by valuable assets, but it is not generally realized how

<sup>1</sup> *Indian Expenditure Commission of 1900, Evidence, Q. 7452.*

<sup>2</sup> *Ibid.*, Q. 7474.

valuable these assets are. The following table gives some idea of this in millions of £ sterling.

	1887-88.	1892-93.	1897-98.	1902-03.	1907-08.	1908-09.	1909-10.	1910-11.
Interest on ordinary debt . .	3·3	2·7	2·0	1·4	1·3	1·4	1·6	1·6
Interest on public works debt	2·9	4·2	4·7	5·7	6·8	7·0	7·2	7·3
Net receipts from public works .	1·4	2·8	4·6	6·6	8·5	6·0	8·2	9·3
Net interest charges . . .	4·8	4·1	2·1	0·5	-0·4	2·6	0·4	-0·4

Since the beginning of the new century in fact, the burden of the public debt of India has been practically non-existent. In 1908-09, of course, as our table shows, there was a net charge of two-and-a-half millions, but this was due to abnormally small traffic receipts. In years of normal trade, however, such a contingency need hardly be expected to occur again. India, in fact, can hardly be said to be indebted at all.

It would be difficult to find a better example than this of the efficiency of British administration in India. In that country, as in Egypt, the Gladstonian tradition of guarding the inheritance had not as yet been sapped of its binding force by the pressure of an all-powerful democracy. Indeed, the total extinction of public indebtedness is a result which could probably be attained only by alien rulers. Its attainment in this case, it is interesting to remember, was witnessed by Sir Richard Strachey, who initiated the policy of a productive debt in 1867, and lived until 1908. It is not given to many to see their life's work so completely fulfilled.

D. A. BARKER.

## PUBLIC OPINION AND WAR.

THIS title raises a number of questions which have been discussed spasmodically for many years but have come into unusual prominence during the last few months. We are told that public opinion ought to exercise more control than at present it does exercise over those diplomatic negotiations which may lead to war : that at present public opinion only tolerates war because it is labouring under the great illusion that war brings profit, and that public opinion ought to condemn war as a barbarous survival which is checking the advance of modern civilization. It will be convenient to treat the subject in three sections corresponding roughly to these three propositions.

### I.

Under present conditions the threat of war is the strongest weapon which diplomacy can employ, and it would be mere folly to entrust a Government, as we do, with the control of foreign policy and at the same time to tie its hands by denying its right to threaten war without reference to the country. If public opinion is to have complete control over questions of war, it must have a like control over questions of foreign policy. This is a thing which many people would like to see, but they have difficulty in showing us how it is to be done. Indeed, the objections to such complete popular control are enormous, and none the less true because they are hackneyed. On the one hand, an intelligent handling of foreign affairs requires an intimate acquaintance with past history and present relations, such as no modern people has leisure to acquire in detail and such as many sections of the English people make very little effort to acquire at all. It would be as absurd to ask public opinion to control the details of foreign politics as to ask it to prepare a Budget. On the other hand,



when foreign policy has to assert itself through the instrument of war it probably has to act suddenly and decisively. In these days of standing armies, it is no use having an army at all if at a time of crisis it is to court disaster by making no effort to take the initiative. You might as well keep a Noah's Ark for use at Henley Regatta. Public opinion in England is formed slowly; and if at the time of the next Panther incident our Foreign Minister is not to act until by means of political campaigns in the provinces, public meetings and newspaper articles the public has discovered what its opinion is, we may really arrive at the will of the nation, but the time for acting on it will have gone by. This, without laying any emphasis on the necessity of secrecy and continuity, is enough to differentiate foreign policy from a thing like a Budget, which after it has been put forward can be thrashed out at leisure.

It was said just now that many sections of the English people make no effort to acquire any understanding of our foreign relations at all. This assertion may at first seem strange. There has lately been a lot of talk about foreign politics in this country, and that is, at first sight, a hopeful sign. There has been a large demand for fuller control of foreign affairs; and on days when the halfpenny papers devote their principal columns to the German affair, railway carriages and smoking-rooms buzz with exaggerated Germanophobia or antimilitarism, and revelations of secret information about the awful proximity of war during the crisis of last summer, which, though in quite contradictory forms, every one seems to possess. Yet this apparent interest is largely spurious. Any one who likes to make himself unpleasant in his railway carriage or smoking-room by conducting a *viva voce* examination of his companions will find that their excitement arises either from idle curiosity and the prevalent passion for sensation, or else from some preconceived political prejudice. Such knowledge as they possess is that which can be derived from the one-sided gossip of the halfpenny press. You will rarely find any evidence of acquaintance even with the more reasoned but less sensational articles in the monthly reviews. Yet no one can pretend to understand the present crisis who has not made a deep study of the Continental policy of England in the past, and of the German point

of view as put forward in German literature; and not merely in carefully selected excerpts in the English press. A detailed knowledge of the German railway system, the French frontier defences, the financial position of Russia, the present attitude of Belgium and Holland and so on is essential to a proper understanding of the subject. But such knowledge is almost always lacking among the pacifists, for even newspaper articles become tedious when they get on to these details. On the other hand, the fire-eaters often show a lamentable ignorance of the real nature of a modern war—its horrors and difficulties. While pacifists and fire-eaters are alike in ignorance of the principles of war—the importance of immediate action, and the uselessness of half-trained troops. Are we really going to trust questions of life and death entirely to a public opinion formed like this?

Or you can test the genuineness of the new interest in foreign politics from the practical side. When we read that in the years following Marathon the Greeks made no preparations for the huge Persian invasion which must now inevitably come, we draw attention with superior contempt to their blindness and selfishness. Yet what about ourselves? Every one, even the extreme anti-war party admits that we nearly had a war last summer: every one admits that the tension is by no means over: every one, and I think I may again include the extremists, admits that if there is a war it is desirable that we should win it: every expert agrees that if the crisis comes every possible trained man will be required. There is much to be said against the Territorial Force, but it is something. Membership of it does at least entitle one to fight. Yet mention it to the occupants of your railway carriage or smoking-room and their enthusiasm will wane. For when the new interest in foreign politics calls for real effort or sacrifice these are not forthcoming. In spite of stupendous efforts, recruiting since the summer has hardly gone up at all, and a cheap contempt for the Territorial Force is called in to excuse what is really mere disinclination to take genuine trouble.

This state of things is not, it is to be hoped, necessarily permanent. Education may do a lot. A more intelligent teaching of history and civics, a proper control of what is at present the greatest educational force among the masses of this country,

namely the kinematograph, ultimately, perhaps, some form of universal service—will all contribute to a stronger sense of nationhood and public duty, and will enable the public opinion of this country not only to be an intelligent critic of what it is told, but also to understand why there are some things which at certain moments it cannot be told. Among a more limited class I believe the Officers' Training Corps is doing a great deal. Members of the professional classes at any rate will soon be qualified to assist in creating an intelligent public opinion while a war is going on. So in the future will politicians. The present Cabinet contains only a few members who can possibly visualise a war, or who have in their public utterances revealed the very slightest acquaintance with war's problems. Thus a time may come when the nation as a whole can take a greater share in foreign politics and in questions of war and peace. But it will always, so long as we have an army at all, have to leave some important decisions to its responsible ministers, especially in the case of crises which arise when Parliament is not sitting. The people comes to its own in subsequent criticism of such a minister's conduct. In a very extreme case it can refuse to follow him. This is where so many people go wrong in discussing this question. They regard the Foreign Minister as the natural enemy of public opinion, and as a very glutton for war. This is absurd. No Minister will ever willingly become involved in a war without feeling confident that Parliament will vote supplies. The circumstances of his position compel him to act in the way most likely to be approved, or least likely to be blamed by the country.

## II.

Speaking at Manchester the other day, Sir Edward Grey stated it as his belief that if at a time of diplomatic tension the Referendum were introduced and the question put to the democracy of any country man by man, "Did they desire war or peace?" if no shot had yet been fired, democracies by large majorities would answer "Peace, not war." But after a shot had been fired there would be a majority for continuing.

This, or at any rate the first part of it, is only half a truth.

At any rate, it is to be hoped that it is only half a truth in the case of this country. Against war in the abstract, war for some unknown cause, public opinion might decide in the negative, for though fire-eaters were mentioned above, the genuine article, who really wants to eat fire and not merely to be heard asking to eat it, is largely extinct. The general level of respectability in modern society and the introduction of popular athletics as an outlet for physical energy have sadly thinned the ranks of bad sons of the family, knight errants and others from whom the fire-eaters used to be recruited. But in the purely hypothetical case raised by Sir Edward Grey, you could not put the question of war in the abstract to the democracy. You would have to sacrifice all the principles dealt with just now, and give the democracy a long course of instruction in diplomatic history leading up to particulars of the existing tension. Then, in the extremely unlikely event of the tension still being where it was, you could put the question, and I maintain that in certain cases you would get the answer "War, not peace."

In what sort of cases would you get this answer? At the present day, though by no means for the first time in history, pacifists are enjoying a considerable and very dangerous popularity, and we can deal with this question best by considering some of their arguments. Pacifists put the case of peace from different points of view and advocate different methods of securing it. Some base their arguments on moral considerations, some on considerations of self-interest: others on both. This makes the issue rather confusing, and for clearness sake it will be here assumed that the general pacifist position is more or less that which is put forward in Mr. Norman Angell's *The Great Illusion*, which is probably the best known and is at first sight the most convincing case as yet put forward for peace. War, we are told, is justifiable against an aggressive attack; but aggressive attacks are only possible because likely aggressors have not yet grasped the great truth that, under modern conditions of the financial and commercial interdependence of all the great states, war must inevitably inflict material damage on both contesting parties, and that therefore, when all countries and people have grasped this principle, war will inevitably cease. The object of war—this is

the assumption on which the whole structure is based—can only be self-interest, and the conception of self-interest is a most narrow one, being based purely on considerations of personal comfort, and measured by the average possessions of individuals in different countries.

That the immediate result of war, if measured in pounds, shillings, and pence, spells loss to individual citizens of both victor and vanquished is a fact which as far as I know no one on earth disputes. Perhaps that is why few critics have found much fault with the first part of Mr. Angell's work which is devoted—by means, it is true, of the most interesting evidence—to proving this truism. Yet even this part of his work appears to one who is no economist to be less conclusive than it claims to be. No distinction, for instance, is drawn between immediate and future gain. Even if Germany suffered immediate loss by her victory over France, it remains to be proved that the present commercial strength of Germany is in no sense due to that victory. Again, it is doubtless true that, if the German defeated the English fleet, the whole population of this country would not immediately lose its livelihood, for Germany is not prepared at a moment's notice to undertake all the productive work at present carried on in this country. It does not follow that she could not make use of the opportunity to obtain a market in certain districts, where England at present enjoys a monopoly, for commodities such as coal, of which Germany could at short notice produce a larger output. The present prosperity of small states which have no armaments does not disprove the possibility of affecting commerce by arms, and may exist merely on sufferance. Canadian trade may be going increasingly to Switzerland in spite of her lack of Dreadnoughts, but the fact that England has not prevented this does not prove that she could not. More open to criticism is the omission of the pacifists to consider the possibility of war resulting in gain in the sense of its resulting in the lesser of two economic evils. The adoption of Protection by England would pretty certainly mean loss to Germany, and might move her to a war; and in the event of victory she might insist on a return to Free Trade in place of one of those indemnities which we now learn to be so fatal to the payee. Surely it is at least arguable that the

losses resulting immediately from the war would in the long run prove a lesser evil than a permanently Protective England. Or again, to take a mere hypothetical instance, suppose that at some future date the profitable but thinly populated parts of the world, already few, have ceased to exist, and Germany's own population has increased in size till of herself she cannot possibly support it, is it not conceivable that she will choose the lesser evil of forcing the acceptance of her superfluous sons upon an unwilling Australia, or South Africa, or America?

But this is really a digression. We will allow for the moment that it is true that a modern war must result in commercial and economic loss to both combatants. But is it a fact that nations in going to war are influenced solely by considerations of material self-interest? To that the correct answer is a most vehement No. More, the doctrine is not merely fallacious, but at the present moment excessively dangerous, for it is supplying people with a specious excuse for neglecting their public duty. What is our own experience, and what is the evidence of history in this matter?

Most of us have our first experience of fighting at school, but who ever met any one who entered on a fight at school with the object of increasing his bodily comfort? Even for the victor there remains the almost certain prospect of a bruised nose or a bunged-up eye. The pacifist, however, would get round that by classing fights at school with cannibalism, as one of those things with regard to which human nature changes as the race or the individual grows older. He would probably produce the favourite false analogy of the abolition of the duel. Therefore, let us take a less questionable instance—the one big war undertaken by this country, which most of us can remember. I suppose the actual cause of the Boer War, so far as it had a single cause, was racial antagonism. In any case it was not the prospect of material gain or increased personal comfort which influenced public opinion during the war. The attitude was rather one of sacrifice. In men, there was to be certain loss. In money, so far as people thought of it at all, there was the certainty of loss arising out of an increased Income Tax. But these losses were regarded as a lesser evil than the damage to national prestige which acquiescence

or submission would involve. What commercial gain do the Italians look for in Tripoli, or the Balkan States when they fight each other, or Japan when she fights China and Russia? As a matter of fact not a single modern war is brought forward to illustrate that motive for war on whose universal presence the whole theory is built up. All we are given is fragments of speeches or newspaper articles expressing not the motives of the speaker or writer but the supposed motives of other nations. The causes of war are much more complex, and men in thinking of war are much less rational and much more prejudiced and obstinate than the pacifists seem able to grasp.

War arises out of friction between units who have no appeal to any superior authority which, unlike the Hague Tribunal, can back its decisions with force. Such friction may arise in many ways—from racial antagonism as in the Balkans, from religious antagonism as in the Middle Ages, possibly sometimes from commercial rivalry. Such friction may actually lead to war through some seemingly quite trivial incident—loss of temper by a minister, the question of a tariff, or a Jenkins' ear. These trivial incidents have often entirely misled historians as to the causes of wars. Even in Greek history many people must now have their simple definable causes of wars, and explain the outbreak of the Peloponnesian War, for instance, in terms of commerce. This is mere superficiality. Jenkins' ear was no more the whole cause of a war than, to take a familiar instance, applying a lighted match to gunpowder is the whole cause of the ensuing explosion. The material of the gunpowder and the nature of the flame both contribute to the result. So it is with war. The friction we have been discussing, revealing itself usually in little obvious ways which the simplest historian can see, finally leads to explosion because it takes place between units, usually nations, each of which has its own distinct nature, its own ideals, its own prestige, and above all its own obstinacy. It is true that France, the enemy of yesterday, may be the friend of to-day, while Germany carries out a reverse process. But this does not mean that national sentiment is unreal or national antipathies artificial, but simply that the friction caused by antagonistic national ideals—in particular the determination to be recognized as the first

nation—is brought about in the political, commercial, and international conditions of to-day more violently when Briton meets German than when Briton meets Frenchman. The consciousness of nationality and the resentment of antagonism remains with all three.

The very growth of internationalism in the world in commerce and everything else on which Mr. Angell lays such stress is really very largely the cause of the present tension. Nations, with a strong individuality of their own, with different ideals, different languages and different methods, have to combine in the working of the same machinery. Germany, with a profound belief in her own methods and her own destinies as a world power, wishes to Germanize that working. England prefers it British. It is because we feel that there ought to be some way of reconciling these ambitions without loss of dignity to either nation that we hope to avoid the war that has been talked of so much, and not because we think that nationality is not worth fighting for, or that rather than fight we ought to endure a determined insult to our prestige even if it does not immediately affect our pockets.

But this only concerns the present: in the future differences between nations much less easily reconcilable may arise. It is characteristic of the conceit of the present age, not merely to assume that things later in time are better in quality and that the pacifists of the present possess some philosopher's stone which was wanting to the pacifists of the past, but also to assume that immaturities of the past will never return. That the old struggle between East and West, for instance, need never break out again; that there will be no more religious wars. Yet why should there not be? History has little to teach us if we are not to believe in the possibility of live national religious movements in the future. Indeed they exist at this moment in the East. Mr. Angell lays great emphasis on the development of religious toleration as a sign of human progress, not, apparently, seeing that this is due less to man's becoming more tolerant than to his becoming less religious, and that as a consequence religion and politics have become more and more divorced from one another.

Perhaps enough has been said to prove that self-interest, as interpreted by the pacifists, is not the sole cause of war. And



even if it were, friction in such a self-seeking world must sometimes arise. Now in all cases of friction which the world has yet experienced, whether between man and man or between nation and nation, the ultimate appeal is to force. It is significant that the very people who advocate peace most loudly are usually the first to call for war against the despotic Russian, the atrocious Bulgarian, or the Armenian-baiting Kurd. It is also significant that their reconstructions of society usually involve a greatly increased exercise of force by the State—for instance, to isolate the feeble-minded.

### III.

What ought to be the attitude of public opinion towards war? Can a case be made out in favour of war?

The case for war is, I think, often misstated, and Mr. Angell is thus supplied with a weapon which he is not slow to use. It is misstated in this way. To begin with, it is pointed out quite rightly that in spite of its many horrors war often brings certain compensating advantages. It may, for instance, strengthen the sense of nationhood, as it certainly did in the case of Germany half a century ago. It may contribute to the welfare of mankind in things other than commerce, such as art and literature, loftier ideals and a stronger sense of duty. This I know is hard to prove, because everything which follows a war is not necessarily caused by it. But historians have almost without exception accepted this as a fact, and Mr. Angell even if he does not believe it has no right to ignore the question. But art and literature and all the higher things which cannot be priced find no place in his philosophy. Or again war may, and no doubt usually does bring out the more manly virtues in the individuals of a race, in the same way as, only often in a higher degree than other occupations in which the individual risks his life.

These considerations have led certain enthusiasts to use language which certainly suggests that in some cases it would be better to go to war simply for the sake of fighting than not to go to war at all. This is undoubtedly immoral, as Mr. Angell has no difficulty in showing. It is even doubtful whether wars undertaken in such a spirit ever would bring about at any rate the first two of the

three compensating advantages mentioned above. But Mr. Angell through trying to prove too much reveals the key to his position. In his chapter on "Do the Warlike Nations inherit the Earth?" he argues that, if Homer Lea and his school are right in saying that war is a good thing, it must follow that the nations which fight most are the best nations, and on this supposition he draws up a table of nations in order of merit. Arabia and Morocco, he says, would be the best nations, Turkey the next—England about the worst.

This is surely absurd. I forget the proper title which logicians have given to this fallacy, but its Syllogistic Form is—

To eat is good.

This man eats more than any one else.

Therefore this man is the best man.

Or again,

Edibles are good.

Poison is an edible.

Therefore poison is good.

For Mr. Angell draws no distinction between good wars and bad wars, just wars and unjust. That is the real point. The healthy nations are not those which actually have fought most during recent years, but those which have always been ready to fight for certain ideals and certain principles: for war with all its compensating advantages is, as has already been pointed out, at best a choice of evils. Because it is good to rescue a drowning man, it does not follow that it is good to bathe every morning in the Serpentine. (But perhaps it is not good to rescue a drowning man—unless he happens to be a creditor.)

When is a war just? It was argued above that at the back of most wars is the consciousness of nationality, and nations come into conflict without either of them being consciously aggressive. When two men on a desert island are reduced to their last oyster and a tussle ensues, it cannot be said that either is the aggressor. England and Germany are not yet reduced to such straits as this, but there are many things in the world especially in the matter of prestige which both of them covet and on which neither likes to give in. The public opinion of each country regards the other country as the aggressor at the present crisis. In a way both

are right and both are wrong. Each is aggressor and on its defence. You cannot get rid of conflict between nations by supposing that certain peoples who are aggressors will ultimately come to hold the same view as certain others who are by nature mere defenders.

A pacifist would interrupt at this point and say, "You misunderstand us. You are indulging in the false analogy of the individual and the State.<sup>1</sup> The present division into nations is quite unreal. An English professor has much more in common with a German professor than he has with an English coal-heaver, or more still than with a native of Hong-Kong. People will leave off thinking of their nation as a living unit, and conflict between national ideals will cease." Is this really true, and if it is are we going to gain by it? It is easy to make patriotism look ridiculous by asking what there is in common between natives of Britain and Hong-Kong. The fact remains that the sense of nationhood has developed enormously during the last century in the world, if not in this country. It is hard to prove the value of patriotism to any one who pretends he cannot see it. One can only point to the fact that all the best work in the past and present of the world has been done by men who owed allegiance to some collective unit smaller than humanity as a whole. Let me take a simple instance. There can be no doubt that the College system at Oxford brings out virtues which are not fostered in non-collegiate universities. Yet a man may be in much closer intellectual sympathy with an oarsman in the boat in front than with any one in his own boat. But we do not foresee a time when for that reason he will not make his best endeavours to secure a bump. We should condemn him if he did not. No one can deny that the enthusiasm which produces and which is evoked by a college's advance up the river has a value, that that value is not merely commercial, and that the same result would not have been achieved by mere pleasure outings. Yet such an advance is contested at every step and contested by rivals who are every bit as much in the right as those who depose

<sup>1</sup> In pacific literature, the analogy of the individual and the State is false when it is desired to minimise the probable influence of nationality in determining future wars. But it appears to hold good when it is desired to argue from the abolition of the duel to the probable abolition of war.

them. Colleges it is true do not very often come to blows. That is because they are not rivals in serious things. In manners, language and theories as to how life ought to be lived they are at one; they owe allegiance to one government; also there is always in the background a controlling force, whether it be that of the University authorities or the city police.

The progress of modern Germany has been accompanied all along by a stronger sense of nationality. What matter if Belgium 3 per cents. are at 96 and German at 82? Or if the average middle-aged Hollander does possess nearly twice as much as the average middle-aged German? Germany is in a position to exercise influence in the world—Belgium and Holland are not. The pacifists draw a vague picture of a denationalized world. At best this is mere speculation. And what would be the result if such a condition were brought about? Surely the most natural inference to draw at present is that strife between world-classes would take the place of strife between nations. Instead of unit fighting unit, a league of separated units would fight another similarly separated league. Football would only stop in order to become lacrosse, and we should have that most terrible of all conceivable strifes—a universal class war, which would be all the more likely and all the more brutal if armaments had been abandoned. It is horrible to picture a war in the days of no armaments. Sportsmen armed with guns, criminals and policemen (if policemen are still allowed) with revolvers, miners with their tools, every one with that instrument of destruction which came readiest to hand would deal out death in all its forms. On the other hand there would be none of the palliatives of modern warfare—none of that discipline which reduces loss, no field hospitals to assist the sick and wounded, no trained commissariat to prevent famine and disease. “Very pretty,” the pacifists would reply. “But the desire to fight would not arise in our denationalized world.” Would it not? Can any one really honestly believe that this would come about while there is still evil in the world, and with it not merely conflicts between right and wrong but also those conflicts between right and right which make tragedy and seem to be inevitable in a world with evil in it? Even the international socialist leagues, which are often mentioned as likely to prevent

wars, only want peace at present that they may combine to exercise force against Capital in the future.

There is then, on the one hand, no prospect of the idea of nationality disappearing, and on the other there is every indication that it would prove a calamity if it did. But we have still not decided when nations ought to fight. We all feel that some wars are just, and that in some both sides are acting justly—in the American Civil War, for instance. What determines us? I do not think it is possible to draw up a list of just and unjust causes of war. One can only state the thing generally. The most frightening thing in Mr. Angell's book is the lowness of his ideal. The highest end of man is to improve his income and his material comfort. This is a most dangerous view to put forward in an age when some people are becoming more and more ready to accept a low ideal in order to avoid the trouble of struggling for a higher one. Mr. Angell admits that struggle is necessary, but it should be struggle between man and nature, and not between man and man. This is all very well for the pioneer or the Polar explorer, but what struggle with nature does the bank clerk really have to undergo? Does the world's history offer any example of a people living as Mr. Angell wants us all to do? I should hesitate to bring in the Roman Empire to illustrate this question—parallels between Rome and England have been overdone—were it not that the pacifists ask for trouble by quoting Rome to illustrate the evil effects of militarism. No explanation of the Decline and Fall of the Roman Empire could be more profoundly untrue. From the early part of the second century after Christ Rome gave up all thought of aggression, and throwing frontier defences and the absolute minimum of troops round her Empire, sat down to live the sort of life which Mr. Angell advocates. So far from being military, the vast majority of the inhabitants of the Empire gave up all thought of war, and thinking themselves to be in perfect security gave their whole attention to commerce, enjoyment, and those other pastimes which we are asked to call a struggle with nature. What happened? Do we see progress and a steady advance of the human race such as had hitherto been prevented by war? As a matter of fact we see the exact opposite—a gradual lowering of ideals, a loss of sense of duty, a

decay in art and literature and in everything that makes life worth living, till from sheer lack of spirit the whole creation falls to bits. Our present rivalry with Germany is the greatest good that could have befallen this country, because it gives us a chance of seeing what our weaknesses are. This chance Rome did not have.

From this I think we can deduce the proper attitude of a nation towards war. It should recognize that individual comfort is not the only object of life, and be prepared to sacrifice life rather than give up anything which it regards as an essential right, or tolerate anything which it is convinced is a serious wrong whether done to itself or to any defenceless part of the world. This requires an especially high degree of patriotism on the part of financiers and others who stand to lose most by a war, and who probably would nowadays combine to stop what they thought an unjust war. It is to be hoped it does not necessarily follow that they would combine to stop a just one.

A nation ought, then, to feel it its duty in certain cases to put certain ideals above life and peace. Section II. of this paper has shown that at a crisis people are still ready to do this; but Section I. has shown that this willingness is falling into the background at any rate in this country, not necessarily because our nature has changed, but because the prolonged absence of friction on a big scale has lulled us like Rome into a false sense of security. Our delegation of military service to what is practically a mercenary army has made us not yet unpatriotic but forgetful of the claims of patriotism. My honest belief is that our future depends on these tendencies to apathy not being allowed to develop. Just consider the ordinary attitude of British public opinion to the British soldier. He is despised and abused, not because he is prepared to shoot enemies, for public opinion venerates the sailor whom, like the policeman, it sees to be necessary for defence. In time of peace the necessity of the soldier is less obvious, and though when the crisis comes public opinion will clamour for his services, at present it is too apathetic to consider how the national prestige depends on being able at all times to adopt a strong offensive. Therefore public opinion neglects the soldier, and the people only join his ranks when there is nothing else to do. Most

of the British regiments are consequently recruited from the very lowest stratum of the population. Little wonder that Mr. Angell is able to heap cheap abuse on the English soldier. It is like public houses. The good people all shun them and then complain that they make other people bad. The wonder really is that the army recruited as it is turns out such a number of men whose honesty, cleanliness, and capacity have made them the only acceptable candidate for many posts of trust.

But are we really going to let the bottom stratum fight our battles for us? If a thing is worth fighting for at all, it is worth the whole nation fighting for it. I will not here go into details of universal service. But in some form I am assured that its institution is a necessary corollary of all I have said. I have shown, I believe, that there is no prospect of wars stopping, that purely economic man does not exist, and that in so far as nations are not *prepared* to fight they are going down hill. I am optimistic enough to believe that the whole world never will accept Mr. Angell's low ideal, and that if they did they would still find themselves quarrelling and appealing to force about something. When the world has ceased to contain evil, war will cease: so will prisons and many of our other institutions. Until then, those who argue that war is in every case wrong are advocating the acceptance of the mediocre in order to avoid the trouble of striving for the best.

NORMAN WHATLEY.

## STATISTICS AND THE THEORY OF MONEY.

THAT there has been of late an upward trend in the level of general prices is apparent to all who have taken the trouble to look into the matter. A concurrence of considerations leads to the highly probable conclusion that the underlying cause of this phenomenon has been the vast increase in the output of gold. The task for the economist would seem to be, first, to satisfy himself as to the way in which, as the business world is now constituted, the new gold does actually come into contact with prices ; and, secondly, to put his conclusion, whatever it may be, as to the *modus operandi* in such a shape as to convince men of affairs.

During the past year Professor Irving Fisher of Yale has been beneficially engaged in urging upon economists, the world over, the desirability of international concert and co-operation in the authoritative ascertainment of the facts of price movements. He has also produced a substantial book on *The Purchasing Power of Money*, which certainly deserves very careful attention. It is valuable at the present time, if for no other reason, on account of the information which it brings together. But, rather unfortunately, in my judgment, the book takes the form of an argument in defence of "the quantity theory" of money, *eo nomine*. My impression is that, as a result of the bimetallic controversy of two or three decades ago, the term "quantity theory" is suspect to the financial world, and that the less it is used the better. When we have agreed by what chain of positive causation, gold, or any other form of "money" or "currency," does in actual fact affect prices, it will be time enough to ask ourselves whether the conclusion is sufficiently like the old "quantity theory" to be advantageously called by the same name.

The part, however, of Professor Fisher's book to which I wish now to call attention is that considerable section of it which



is taken up by an elaborate "statistical verification." He starts with the seemingly obvious assertion that the Money (*i.e.*; legal tender) in a country (call this  $M$ ), multiplied by its Velocity of circulation ( $V$ ), *plus* (in a country which uses cheques) "the total deposits subject to transfer by cheque" ( $M^1$ ), multiplied by their Velocity of circulation ( $V^1$ ), must be equal to current Prices ( $P$ ), multiplied by the quantities exchanged at those prices, or volume of Trade ( $T$ ).

This, put in symbols, is

$$MV + M^1V^1 = PT,$$

or again

$$\frac{MV + M^1V^1}{T} = P.$$

Let us pass over all the doubts and scruples which such a formulation must suggest, and confine ourselves to the use Professor Fisher makes of it. The actual movement, from year to year, of the level of Prices ( $P$ ) can be ascertained by means of index numbers, based on the records of prices actually charged. If then, says Professor Fisher, we can ascertain independently the value of  $\frac{MV + M^1V^1}{T}$  for the same series of years, and discover that  $\frac{MV + M^1V^1}{T}$  varies in the same manner as the index numbers of Price, we obtain a statistical verification of the quantity theory.

In pursuing this line of investigation, Professor Fisher was following the example set some four years before by Professor Kemmerer, in a little book full of matter on *Money and Credit Instruments in their Relation to General Prices*. Professor Kemmerer's formula, though expressed by different symbols, is exactly the same; and the method of supposed proof is identical. But as Professor Fisher takes up the substance of his predecessor's work into his own, and applies more adequate methods to the determination of the several quantities, we may limit ourselves to the argument in the form in which he presents it. And that, in truth, is sufficiently impressive. The two sets of figures—the index numbers for general prices ( $P$ ), and the values, worked out by a series of elaborate devices, for  $\frac{MV + M^1V^1}{T}$  for the

same years (1896–1909)—show a striking parallelism, especially when charted. Stated in the terms of “coefficients of correlation,” dear to biometricians, the two series of variations show an agreement which amounts to as much as 97 per cent. of perfection. If, instead of the correlation of the raw figures, we work out the correlation of the ratios of change from each annual figure to the next in the two series, we are told that this points to a degree of conformity which is 57 per cent. of perfection; and even this is certainly “a high degree of correlation.”

Yet I cannot help thinking that when the first glamour of correlation has passed away, and we begin to look into the elements of the proof, its unsubstantiality must be at once apparent. By this I do not mean the details of the figures,—a few millions more or less here and there, a weight of this or that size attached to this or that figure,—I mean a fatal weakness in the argument itself. For consider only  $M^1V^1$ .  $MV$  is so small in comparison with  $M^1V^1$ ,—16 and 35 (American) billions of dollars as compared with 97 and 364 in 1895 and 1909 respectively,—that we may for the present disregard it. How does Professor Fisher get his figures for  $M^1V^1$  in the United States? Simply by ascertaining “the total year’s deposit of cheques” in the banks. What his conclusion then really amounts to is that the year’s payments by way of cheque varied in a manner parallel to the sum of the prices agreed to in the course of the year. Of course they must, in a cheque-using country. But the fact proves nothing, as it seems to me, as to the relation of cause and effect. It is but the summation of two different kinds of evidence to the same transactions. Because the annual sum of my transactions measured by a pile of receipted bills is equal to, and varies year by year with, the sum of my transactions measured by the cheques I drew to pay them, this equivalence and parallelism tells us nothing as to the relations between the two sorts of document. I can pay big bills because I can draw big cheques—true. But I have to draw big cheques because my bills are big. The equation *in itself* does not carry us a step beyond the facts on the surface; in truth it is hardly more than what logicians used to call an identical proposition. The only thing, so far as I can see, that the investigation “corroborates,” is the series of price index numbers: it is,

unintentionally, simply a new and ingenuous method of measuring the movement of prices by finding the total sum of the instruments of exchange actually used and dividing by the quantity of goods; and the closeness of the correlation is merely due to our author's success in tracking the counters employed. It is better that this should be pointed out by one who in substance agrees with Professor Fisher's way of looking at things, than by critics who may seek to discredit thereby the salutary international movement he has set on foot.

W. J. ASHLEY.

## NOTES AND MEMORANDA.

SICKNESS INSURANCE IN GERMANY: SOME RECENT FIGURES.—In view of the impending inauguration of our own Sickness Insurance Scheme, recent returns from Germany as to the scheme there in force become invested with an additional interest. The December (1911) number of the *Reichs Arbeitsblatt* gives a wealth of statistics for the three years, 1908–10, some of which cannot fail to prove instructive to the critics, friendly and otherwise, of our own scheme.

The following table shows the fluctuations in the number of societies, and in the number of insured, not including the special miners' societies, or *Knappschaftskassen*.

	No. of Societies.	Total Membership.	Average members per Society.
1908	23,240	12,324,094	530
1909	23,279	12,519,985	537
1910	23,188	13,069,375	563

We note from this table that although the average membership per *Kasse* has somewhat increased there has been but a relatively small drop in the number of operative *Kassen*. If, however, account be taken of the great increase in the number of insured persons the decrease in the number of *Kassen* becomes more significant. Of the 23,188 *Kassen* included in the 1910 returns no fewer than 8217 were Parish Insurance Agencies, all of whom under the new Act are now to be abolished. There are other provisions in the new Act which will have the effect of still further limiting the number of recognized *Kassen*, although the original and more drastic proposals for raising the minimum membership limit were abandoned at an early stage in the consideration of the Bill. As showing how widely the average membership per *Kasse* varies in different parts of the Empire it may be mentioned that whereas Berlin shows an average membership of 5041, in West Prussia the corresponding figure is 378; in East Prussia 915; and in Mecklenburg-Schwerin 263.

As regards the amount of sickness among the insured the following

figures are instructive—the cases referred to being always cases of illness accompanied by incapacity for work.

	No. of Cases.	Cases per member.	Days of illness per member.
1908	5,206,148	0·42	8·43
1909	5,045,793	0·40	8·26
1910	5,197,080	0·40	8·01

The “ days of illness ” under the German scheme mean days on which sick pay is drawn, or the insured person is in hospital.

It would appear, accordingly, that every insured person comes on the sick fund on an average eight days per annum; but that, on the other hand, just two-fifths of the insured go through the year without coming on the fund at all. Therefore the average duration of illness among the three-fifths who in 1910 did come upon the fund would be 13·3 days, instead of 8.

When we come to Finance we find that during the three years under review the growth of income has more than kept pace with the growth of expenditure.

	Total receipts.	Members' payments.	Total expenditure.
	Marks.	Marks.	Marks.
1908	333,291,351	313,528,389	325,054,492
1909	351,105,331	330,550,626	334,563,748
1910	379,284,496	357,617,168	350,545,175

Of the huge outlay in 1910 it is satisfactory to note that administration expenses accounted for only 5·8 per cent., or just over £1,000,000. But, that the cost of administration tends to rise is evidenced by the fact that in 1908 the corresponding figure was only 5·6. The relative cost of administering the Sickness Insurance Scheme certainly bears no comparison with that of administering the Accident and Invalidity Schemes. In 1909 the cost of administering the Accident Scheme represented no less than 14·5 per cent. of the total expenditure. Under the Invalidity Scheme during the same year the corresponding figure was 9·7.

It is interesting to note how the huge sum of 320,020,827 marks (£16,000,000) spent in 1910 on benefits (*Krankheitskosten*) is made up. This is best shown by the following table :—

	Outlay.	Proportion of total.
	Marks.	
Medical attendance ..	76,440,495	24 per cent.
Medicine and appliances ..	48,216,260	15 „
Sick pay .. ..	135,952,829	42 „
Maternity cases .. ..	6,432,231	2 „
Payments on death ..	7,462,283	2·3 „
Institutional treatment ..	45,270,027	14 „
Convalescents .. ..	246,702	0·08 „

During the three years under review there has been a distinct tendency for the money benefits per member to diminish—as distinct from the benefits in kind, which have either risen or remained stationary. The cost of medical attendance per member has risen from 5·49 marks in 1908 to 5·85 marks in 1910—equal to a rise of  $4\frac{1}{2}d.$  in the three years; that of medicine and appliances from 3·52 marks to 3·69 marks; that of *Anstaltsverpflegung* (Institutional treatment) from 3·18 marks to 3·47 marks. The outlay per member on convalescents and maternity cases has remained practically stationary—a point of some interest, but susceptible of explanation. The decline in the birth rate would account for the maternity expenditure remaining stationary, and the more thorough and lengthy treatment in cases of serious illness which is now accorded makes the need for convalescent treatment less necessary. The tendency for some years past has been to keep patients longer under medical treatment. It is recognized that to discharge a man from hospital before he is completely cured is a policy which is as unsound economically as it is opposed to true humanitarian sentiment. An extra week in hospital may have the effect not only of keeping a man off the sick fund for a longer period, but of actually preventing him from falling into a state of permanent invalidity, and so becoming a charge on the Invalidity Fund.

ERNEST LESSER.

SOCIAL SERVICE AS PRACTICAL CHRISTIANITY.—Love to one's neighbour has hitherto shown itself in two main forms: first, as the inculcation of religion and morality; secondly, as relief of distress. But this present age is witnessing a remarkable development of Christian altruism, that, namely, which springs from the organic and evolutionary view of mankind. Humanity is seen to consist of a variety of interconnected elements, such as religion, moral character, intellect, the body—which are undergoing change and growth from generation to generation. Owing to this, Christian morality is becoming vastly richer and more systematic. It is coming to embrace and organize

all human activity with the view to the Divinely appointed end of the race. The practical outcome of Christianity is seen to be whole-hearted participation in the self-development of humanity, in spirit and mind and body, into the Kingdom of God. Now all this, with the exception of that which has immediate reference to religion, has received the name of "Social Service."

Owing to the complexity of the subject—that is, humanity with its manifold parts and elements, depending on a great variety of conditions and intertwined with a multitude of changing circumstances—social service demands knowledge, both general and detailed. But it also demands personal sympathy in the intimate dealing of man with man. Social service is yet immature, but it is growing to be a vast system of activity comprised of carefully co-ordinated branches, with knowledge and love, directed towards the moral and intellectual and physical evolution of man.

Examples of the growth of social service may be drawn from the Student Christian Movement. In a pamphlet, *The Study of the Will of God for Modern Life*, Mr. Malcolm Spencer attempts to indicate the Christian standpoint and way of approach. In another pamphlet, *The Missionary Problem and the Denial of Christ in Christendom*, he outlines the vital relation between the reform of professedly Christian civilization and the evangelization of the heathen. *The Vocation of Scotland* is a spirited appeal by Mr. D. S. Cairns to his countrymen to be true to their religious heritage, though with the humanism that their forefathers lacked. Most striking of all is a handbook of social service as it affects the adolescence of the working-classes in cities, *The Growing Generation*, by Mr. Barclay Baron. The summaries given of various branches of the problem are truly admirable, and not least valuable are the bibliographies and lists of societies under each heading.

But perhaps more remarkable still is the Catholic Social Guild, which is publishing a series of manuals on social problems. The first, *Destitution and Suggested Remedies*, contains three essays by different writers on the three main lines of poor-law reform respectively, the Majority Report, the Retention of the Guardians (as advocated by Dr. Downes), and the Minority Report. The second in the series, *Sweated Labour and the Trade Boards Act*, is intensely interesting as indicating the awakening of the Roman Church to the problem of poverty. The competitive system of industry, which is responsible for low wages, is connected with Protestant individualistic theology. There is probably much in this, though wages in predominantly Catholic countries on the whole average lower than in predominantly Protestant countries. A living wage—estimated at 26s. a week in the country, 30s. in medium-sized towns, and 35s. in large towns—is demanded as

a natural right for men with families. Less than this constitutes injustice. For it involves impaired efficiency and other evils.

Social service will undoubtedly help to draw together the various fragments of Christendom and ultimately produce a vital, if not a formal, union. Roman and Anglican and Free-Churchman have to deal with the same evils of poverty and vice and misery, and they will apply like remedies in view of approximately the same ideal. They will feel their divergence from the old anti-social, other-worldly ethics to be far greater than their mutual differences in the present.

FREDERICK A. M. SPENCER.

“BACK TO THE LAND.”—At a recent conference in Oxford on the revival of rural life, Mr. C. R. Buxton gave an interesting lecture upon the Small Holdings question. He explained that the present unsatisfactory conditions of agricultural labour were the result of parliamentary legislation in the eighteenth century, when the great enclosures were created, and the rural population generally were shut out from the rights of common they had previously enjoyed. The effect of that legislation was to change the whole social order. The present lot of the agricultural labourer was a hard one. How a married man with a family could live at all was surprising. In the northern counties of England wages were better, but in the east and south the weekly wages of an agricultural labourer ranged only from 12s. to 17s. He was, moreover, badly housed; unlike the town dweller he had no recreations; his work was hard and monotonous; and he was looked down upon by those who followed other livelihoods. It was true that his house rent was low, but this very cheapness was a disadvantage, for it gave his employer, who was usually his landlord, a hold over him, and destroyed his own independence. Forty years ago the agricultural labourer was frequently a member of agricultural associations. Now he stood aloof from all such movements, except, perhaps, in Norfolk.

The object of the National Land and Home League, which he was advocating, was to increase the number of small tenancies, not small ownerships, and to improve the condition of the agricultural labourer in every way by giving him higher wages, a better house, and bringing more variety and comfort into his life. The Society's experiments so far, he went on to say, had been very successful. Their operations were not confined to agricultural labourers, but extended to artisans and other members of rural communities. One of the difficulties in their way was, of course, the growing attractions of towns for the people in the country. He had no special suggestion to offer for



remedying this, but his Society was strongly of opinion that one sure means of improving the present condition of the agricultural labourer lay in the provision of better rural education, which must take the shape of general and not technical education. The continent was ahead of us in this respect, because there were more small holders on the land. Another obstacle with which the society had to contend was the fact that the supply of houses for agricultural labourers was steadily diminishing. Neither local authorities nor independent builders would build, because rural rents were fixed by custom below commercial prices, and, therefore, it did not pay to build.

The other remedies, besides education, mentioned by the lecturer were, government subsidies, co-operation, the establishment of a minimum wage, and the revival of social life in the country. Of the advantage of the first he expressed himself as doubtful, in regard to the second some progress had already been made, but everything depended on the people being given a fair chance to do well on the land; the third remedy had, he explained, not yet come into the range of practical politics; nor, in the case of the last of the points mentioned, did it appear that any very practical steps had as yet been taken in the desired direction.

In the discussion which followed general agreement was expressed as to one point, the soundness of the lecturer's view that the present conditions of agriculture favoured the establishment of small tenancies only, and not of small ownerships—which, it was thought, could not pay. Several of the speakers were in favour of the encouragement of a mixed system of farming, which should include greater attention to forestry, and the provision of common grazing land, rather than specialization in a particular line. One or two speakers, in contrast to the majority, seemed to be of opinion that there was a tendency to exaggerate the unattractiveness of agricultural life; while a few supported rather pessimistic views on the future of English agriculture by reference to the fact that continental agriculture had ceased to be very profitable, and that the same movement to the towns from the country was observable on the continent as with us.

The chairman wound up the proceedings with a breezy speech in which he emphasized the more hopeful aspects of the future which had been touched on in the course of the discussion. But there was a subdued tone throughout the conference. No reference was made to questions such as the nationalization of the land, nor to the fiscal points embodied in Free Trade and Tariff Reform, and the discussion generally was conducted in a minor key. The impression derived by one at least of the audience was that the surface of the question only was touched upon; that neither the lecturer nor those who joined in

the discussion wished to come to close grips with vital issues; and that *non tali auxilio nec defensoribus istis* could the policy of "back to the land" ever be accomplished.

ANON.

CURRENT ECONOMIC PERIODICALS.—In the *Economic Journal* for March, Mr. C. F. Bickerdike examines the basis of the policy of taxing land values, and concludes that there is a strong theoretical case for the local appropriation of urban site value. Prof. Lehfeldt writes on "Public Loans and the Modern Theory of Interest." Prof. Gustav Cohn has an article on the "Increase of Population in Germany," where the population in the industrial centres has doubled within thirty-nine years, while in the agricultural districts it is almost stationary. Prof. Bowley discusses "Wages and the Mobility of Labour," and defends the Labour Exchanges against the common statement that exchanges cannot increase employment. Mr. R. H. Gretton has another article on the "Lot-meadow Customs at Yarnton, Oxon." This is the first number of the *Economic Journal* issued under the editorship of Mr. J. M. Keynes.

In the *Church Quarterly Review* for January there is an anonymous article on "The Strength and Weakness of a Disestablished Church as seen from within," illustrated from the present state of the Scottish Episcopal Church. On a connected subject Mr. Frank Morgan discusses with careful details the alleged analogy between "The Irish and Welsh Churches." The Archdeacon of Birmingham writes on "The Archbishops' Committee on Church Finance," and pleads that the proposals of the Committee show the way to needed reforms. There is also an article entitled "The Social Results of Mental Defect," by Ellen F. Pinsent, which points out the evil effects of leaving the mentally defective uncontrolled.

The *Irish Theological Quarterly* for January contains an article by the Rev. J. Kelleher on "The Morality of Strikes." Mr. Kelleher treats the subject with great clearness. He regards strikes as not wrong in themselves apart from abuses which may be connected with them, while he recognizes evils which they often produce; he is of opinion that the responsibility for strikes rests with employers more often than with workmen; and he gives his reasons for being opposed to compulsory arbitration as a legalized method of settling trade disputes.

There are several articles on social and economic subjects in the

*Hibbert Journal* for January. Under the title "Civilization in Danger," M. René-L. Gérard discusses the signs, causes, and remedies of decadence in France, England, and Germany. Mr. J. Ramsay Macdonald replies to the article in the October number by Professor Henry Jones on "The Corruption of the Citizenship of the Working Man." Canon H. D. Rawnsley writes on "Pernicious Literature," and denounces "the organized production and distribution of indecent pictures and immoral books in all languages," which, he says, "has immensely increased" "in the last few years." Among the "Discussions," Janetta C. Sorley and Edith Bethune-Baker criticize elements in the article entitled "Decadence and Civilization," which appeared in the October number.

"The Relation of Eugenics to Economics," by C. J. Hamilton in the *Eugenics Review* for January is an opportune protest against overspecialization; but the writer appears to be rather unduly oppressed by the fear of trade unionism and the cost of social legislation. There is a suggestion from New Zealand about "Medical Marriage Certificates," and other articles deal with "Heredity and Education," and "Genetics and Eugenics."

The January number of the *Local Government Review* contains articles on "The Destruction of the English Village"; "The New Housing of the Working Classes Bill"; and on "Local Authorities and the Legislature," pleading for the "grant of general powers," to enable local authorities to cope with their increasing responsibilities.

The *Clare Market Review* for February contains a series of articles on various problems connected with National Insurance. Mr. W. Kennedy discusses the theoretical considerations affecting "The Incidence of the Levies," while other papers deal with Decasualization, Boy Labour, and the relation of the Act to Ireland. A picture of a Wages Board at Work in Victoria is drawn by Miss D. S. Potter.

In the *Sociological Review* for January, Mr. Garvie gives his impressions of "Contemporary Social Developments in Canada." Miss Mabel Atkinson writes on "Domestic Life and the Consumption of Wealth," and Dr. Gilbert Slater on "The Universities and the Democracy."

The *Socialist Review* for January has an article by Richard Higgs on "The Constant Warfare between Town and Country," and J. F. Duncan discusses the effect on Trade Unionism of the strikes of 1911. Some interesting information is given in this and in the February issue by

L. Bissolati about the position of the Italian Socialist Party. The February number also contains articles on "A Plea for Puritanism," by Ramsay Macdonald, and on "Labour Municipal Programmes," by Francis Johnson.

Prof. G. Sims Woodhead's lecture on "The Action of Alcohol" appears in the *British Journal of Inebriety* for January, and also articles on "Alcohol and Work," by Sir Thomas Oliver, and on "The Psychopathology and Treatment of Alcoholism," by Dr. J. H. Coriat.

The *Journal of Political Economy* for January is mainly occupied with questions of banking and currency reform. There is also an article by W. H. Allport on "American Railway Relief Funds," for the care of sick and injured employees.

The *Quarterly Journal of Economics* for February begins with an article on "Beet Sugar and the Tariff," in which Prof. Taussig comes to the conclusion that beet growing in the far West has quite passed the infant stage, and that its difficulties in the farming region proper seem to be due to the competition of the other kinds of agriculture which are more profitable. "The Recent Rise in the Price of Silver and some of its Monetary Consequences" are discussed by E. W. Kemmerer. R. F. Foerster describes sympathetically the "British National Insurance Act." Prof. G. A. Kleene adds one more to the attempts to account for the "Income of Capital": if only some of these writers would try to account for the income of labour, which is every bit as mysterious—or as simple—we should be spared a great deal of unnecessary thought. Other articles are "The First Decade of the Swiss Federal Railways," by A. N. Holcombe, and "Tenancy in the Western States," by B. H. Hibbard.

In the *Political Science Quarterly* for last December, H. R. Seager discusses the effect on trade of "Recent Trust Decisions." "Economic Aspects of Immigration," by I. A. Hourwick, is an argument against restriction. James Mavor describes the dependence of the farmer on financiers and middlemen in the "Marketing of Wheat." Other articles are "Turkey in Europe," and the "Letters of J. S. Mill."

The *Annals of the American Academy of Political and Social Science* for last November publishes a number of papers on "Commission Government in American Cities." This scheme has now been adopted by about 200 municipalities. Its chief feature is the appointment of a small Board, consisting of from five to ten members, by the whole

body of electors, which exercises both legislative and administrative authority. Direct popular control is secured by the referendum, the initiative, the recall, and non-partisan primary elections.

The *Revue Économique Internationale* for last December is entirely devoted to a study of the economic conditions of the South African Union. Among the subjects dealt with by various authors are the conflict of languages, the native problem, the immigration question, the laws and institutions of South Africa, its mines, agriculture, industries and commerce.

In the *Annales* of the Musée Sociale for December there is an account of the amendment of the Old Age Pensions Act, 1910, by which the age is lowered to sixty, and the State contribution raised to 100 francs. The *Mémoires* publishes an investigation of "Servants' Schools" in Switzerland, which seem to fail in providing servants, but are useful in training housekeepers.

*Le Mouvement Social* for December has an article by J. Zamanski on the functions of Trade Unions and the State in securing equity and justice in wage contracts. Another article, by H. du Roure, discusses the right of employers to enforce regulations in their workshops.

A. Verhagen writes in *La Revue Sociale Catholique* for January about the social work of Belgian Catholics. Before 1886, he says, they limited themselves to charitable and philanthropic institutions; and hence, for example, the Co-operative Societies in Belgium, of which there are now 8541, have grown up apart from the Church.

In *La Revue Générale* for January Ch. Woeste describes "L'Évolution du Parti Libéral vers le Socialisme," suggesting that the former party is being absorbed by the latter, with the ultimate purpose of overthrowing the clerical regime. There is also a discussion of Belgium's capacities for colonization, and a sketch of Alfred Nobel, the Swedish philanthropist.

An impartial study of the conditions and results of the State management of railways by L. Amoroso is published in the November and December numbers of the *Giornale degli Economisti*. There are also articles on the Customs Policy of the Italian States from 1815 to 1860 by R. B. d'Ajano, and on the economic problem of Italian emigration by G. Preziosi.

The first number of the *Russian Review*, published in January, is welcome as providing information about the social and economic conditions of modern Russia. Among the articles contained in this number are—"The New Land Settlement in Russia," by Bernard Pares; "Looking Back over Forty Years," by Sir D. M. Wallace; "The Imperial Duma and Land Settlement," by Sergius Shidlovsky; and "Recent Financial and Trade Policy in Russia," by W. Höffding.

Two articles in the *Nationalökonomisk Tidsskrift* for December deal with the value and significance of statistics, the one, by A. Höyer, on "Labour Statistics," the other on "Crop Forecasts and Yields in Denmark," by E. Cohn.

E. F. Heckser writes in the *Ekonomisk Tidskrift* for last November on "The Export of Swedish Corn"; and N. V. E. Nordenmark gives an account of "Accident Insurance" in the December number. There are also statistical articles on Sweden's imports and exports and on various questions of taxation.

## LEGISLATION, PARLIAMENTARY INQUIRIES, AND OFFICIAL RETURNS.

IN Volume XLVI. of the *Agricultural Statistics*, 1911, *Part I.* (Cd. 6021, 97 pp., 5½*d.*) will be found particulars of the acreage and live stock of Great Britain, with summaries for the United Kingdom. The total land area of Great Britain is 56,214,419 acres, 32,094,658 of which were in 1911 under crops or permanent grass, and 12,875,660 acres consisted of mountain and heath land used for grazing. There was a decline of 51,272 acres in the cultivated area, *i.e.* land under crops or grass, but the area of mountain and heath land used for grazing increased by 31,434 acres, so that about 20,000 acres were withdrawn from agricultural or pastoral purposes. For many years there has been a decline in the farming area, which is to some extent accounted for by the transference of grass land from the category of "permanent pasture" to that of "rough grazings." This, it is pointed out, may represent the deterioration of land, but does not mean that it is converted to non-agricultural purposes. The general trend of the figures, however, is not affected by this transference. During the last ten years the cultivated area has declined by 323,000 acres, and rough grazings by 55,000 acres, so that 378,000 acres have been diverted during that period from farming or some other use. This loss is attributed to some extent to the gradual restriction of the "margin of cultivation," since Great Britain contains a comparatively large proportion of poor land, but a greater cause is the extension of towns, bringing with it an increased demand for land for residential, manufacturing, railway, and other purposes.

While the net loss of farming area during the last ten years is about 0·8 per cent., the reduction of arable land during the same period amounted to about 6 per cent. Between the years 1901 and 1911, 661,000 acres in England, 158,000 in Wales, and 123,000 in Scotland were withdrawn from the plough. During 1911, however, the reduction of arable land was less than in any year since 1902, and in some parts of the country there was an increase.

The total number of agricultural holdings exceeding one acre in June, 1911, was 513,259. Holdings of the smallest class—one to five acres—

increased in England and Wales by 2085, and in the five to fifty acre class by 1601, giving a total increase in number of small holdings during 1910-11 of 3686. These figures are significant, since between the years 1903 and 1908 small holdings steadily declined in England, and the lowest point was reached in the latter year. In the last three years, however, the increase has been 5312, or nearly 2 per cent. It will be remembered that the Small Holdings Act of 1907 came into operation on January 1, 1908.

Of the total number of holdings included in the returns, 60,217 or 11.73 per cent. are owned by the occupiers. Of these 43,239 are small holdings, *i.e.* from 1 to 50 acres.

The total area under wheat, barley, and oats in 1911 was 6,514,639 acres, or 43,870 less than in the previous year, but greater than in 1909 or 1908. The favourable autumn of 1910 encouraged a considerable extension in the sowing of wheat, but the increase was more than counterbalanced by the reduction of the area of barley, while oats also slightly declined.

During the last ten years co-operation has made remarkable progress, more especially in the department of agriculture. The *Report on Industrial Co-operative Societies in the United Kingdom*, published by the Labour Department of the Board of Trade (Cd. 6045, 273 pp., 1s. 8d.) revises and brings up to date the volume issued in 1901. According to this the aggregate membership recorded by distributive and productive societies in 1909 was 2,597,236, an increase in the ten years from 1899 of 917,221, or 55 per cent. The value of the total trade, exclusive of banking, credit, insurance, and building society transactions, was in 1909 nearly £132 million, an increase since 1899 of £56½ million or 75 per cent. The greatest amount of co-operative trading is done by industrial co-operative societies, of which 1580 were in existence in 1909, with an aggregate membership of 2,512,048, and a total distributive and productive business of nearly £128 million or £54 million (73 per cent.) more than in 1909.

The capital of the retail distributive societies in 1909 exceeded £37½ million, of which £20½ million were invested otherwise than in the societies' own undertakings, over £12½ million being invested in other undertakings largely co-operative, such as wholesale and productive societies, and £7¾ million in house property lent on rental, or in process of sale to members.

Of £24 million of co-operative production, £21 million represented the value of goods produced in factories and workshops of wholesale and retail societies, and about £3¼ million that produced by societies established primarily for production. In most workers' productive societies a share of the profits is allotted to their employees in the shape



of dividend or bonus on wages, and the employers are usually represented on the management committee.

Of agricultural societies there are three main classes—purchase and sale societies, productive (dairying and farming) societies, and small holdings and allotments societies. There is an essential difference in character between these societies and those engaged in industrial production, since agricultural societies are usually established neither in the interests of consumers, nor of the workers employed. They are principally composed of small farmers not employed by their society, but who follow their own private occupations, using the society for the collective manufacture of butter and cheese from milk provided by themselves, for marketing this and other produce raised upon their farms, and for the collective purchase of seeds, manures, implements, etc., in bulk, with a view to obtaining better terms than would be possible if they bought individually.

Ireland took the lead in 1895 in the development of agricultural co-operation under the auspices of the Irish Agricultural Organization Society, and it was not until 1901 that a similar society for England was registered, Scotland following four years later. The result has been a rapid growth of agricultural organization in Great Britain. Between 1895 and 1909 agricultural societies making returns increased from 58 (46 productive and 12 distributive) for the whole of the United Kingdom to 653 (317 productive and 336 distributive), while the sales increased from £354,379 to £3,609,172. These figures do not include small holdings and allotment societies, which are for the most part of recent formation.

Another department which has considerably developed is that of co-operative banking and credit societies and insurance carried out by associations of co-operators. At the end of 1909 the ordinary banking business of more than 900 societies was being handled by the Bank Department of the English Co-operative Wholesale Society, and its receipts on current accounts for that year came to about £64 million, representing an increase as compared with 1899 of £35½ millions, or 126 per cent.

Small credit societies, established principally in connexion with agricultural co-operation, have increased from 55 in 1899 to 241 in 1909, and the amount on loan in the latter year was £102,838 or £72,128 (235 per cent.) more than in 1899.

An especially interesting development in co-operative life insurance is that of "collective insurance," inaugurated in 1904 by the Co-operative Insurance Society, Limited, by which retail societies, on payment of a premium based on their total sales, can insure the lives of their individual members in proportion to the amount of their annual

purchases, and for a small additional premium members' families are included. At the end of 1910 there were 277 such societies, with an aggregate membership of 441,979.

The first part of the *Fortieth Annual Report of the Local Government Board*, 1910-11 (Cd. 5865), published a short time ago, contained particulars of the administration of the Poor Laws, the Unemployed Workmen Act, and the Old Age Pension Act. Part II. (Cd. 5978, 318 pp., 1s. 10d.) gives information concerning Public Health and Local Administration, County Council Administration, and Local Taxation and Valuation. Under Public Health and Local Taxation such subjects are dealt with as the Housing of the Working Classes, Town Planning, Infectious Diseases, Medical Officers of Health and Sanitary Inspectors, Food and Water Supplies, and Scavenging and Sewage Disposal. The section on County Council Administration includes the Local Taxation Account, and Relief to Local Rates, Adjustments between Counties and County Boroughs, Equalization of Rates in London, Loans to County Councils, Alteration of Areas in Districts, Highways, Locomotives and Motor Cars, and Alienation of Lands and Buildings. In the last section details are given of Public Rates, Exchequer Grants, Expenditure of Local Authorities, Loans, Comparison of National and Local Debt, and Valuation of Rateable Hereditaments for Rating.

To judge from the increasing bulk of the volume *Foreign Import Duties*, 1911 (Cd. 5754, 1135 pp., 4s. 6d.), the popularity of tariffs as a weapon against foreign competition is certainly not on the wane. The present edition brings up to date particulars as to the rates of import duties, with their English equivalents, levied on the principal articles of British produce and manufacture. The following additions or alterations affecting the United Kingdom should be noted. By the Commercial Treaty of May, 1911, between Sweden and Germany, many of the rates of duty established in Sweden by the "General" Customs Tariff of 1910 were reduced, and these reductions were extended to products and manufactures of the United Kingdom, in virtue of the Anglo-Swedish Commercial Convention of 1826. The "General" Tariff, as modified by the Treaty, came into force on December 1, 1911. As a result of the new Commercial Treaty of April 3, 1911, with the United Kingdom, Japan, on April 15, 1910, promulgated a new "General" Customs Tariff, in which the rates of duty were reduced for certain classes of articles important to British trade, such as paints, linen yarns, cotton and woollen tissues, pig iron and iron plates and sheets, including tinplates.

Russia has accorded an extension of the favourable tariff treatment or exemption from duties of certain articles, including agricultural machinery, originally granted until January 1, 1911, to April 1-14,

1912, and an effort is being made to provide for the continuance in force of a privileged Customs treatment of agricultural instruments and parts. A Russian Law of May 18-31, empowered the Council of Ministers, upon special application, to authorize the import from abroad until July 1, 1912, at reduced Customs rates, of pig iron for the needs of the metallurgical industry, the total amount not to exceed 10,000,000 pouds (161,210 tons). The extent of the reduction of duty is determined separately in each case.

In Belgium the *ad valorem* duties on certain woollen and other goods have been superseded by specific duties.

The monopoly duty levied in addition to the Customs duty in Switzerland on imported spirituous liquors and other products prepared with alcohol has been increased.

In Turkey chemical fertilizers, books, reviews, and other publications have been exempted from Customs duty. This does not, however, apply to the binding of bound books.

Bulgaria has abolished import duties on coal and coke, various chemical products, certain hides and skins, common wool, wool waste and artificial wool, and certain changes have been made in the duty on other articles.

In Roumania, the customs duties on some kinds of fish, hulled rice, coarse jute tissues, books, iron or steel instruments for trades and industries, and certain agricultural implements have been reduced, and the consumption duties on petroleum and wheat flour, levied on imported products of this kind in addition to Customs duty, have been abolished.

A new tariff is under consideration in the Netherlands, a translation of which, with a comparison of the proposed new rates with those at present in force, was issued last April by the Board of Trade (Cd. 5630, 5*d.*).

The forty-fifth number of the *Statistical Abstract relating to British India, from 1900-1 to 1909-10* (Cd. 6017, 288 pp., 1*s.* 3*d.*), contains, with other information, particulars of area and population; justice, police, and prisons; finance; education; agriculture, forests, and land tenures; railways; irrigation works; foreign trade and shipping; vital statistics; and wages and prices.

Details of the production, consumption, and imports and exports of coal in the British Empire and the Principal Foreign Countries in each year from 1886 to 1910, together with statements showing the productions of lignite and petroleum in the principal producing countries for a series of years (in continuation of Parliamentary Paper, No. 271 of Session 1910), will be found in the *Coal Tables, 1910* (No. 284, 61 pp., 6*d.*). The tables of *Iron and Steel, 1910* (No. 283, 71 pp., 7*d.*), show

the production and consumption of iron ore and pig iron, and the production of steel, in the United Kingdom and the principal Foreign Countries, in recent years, and the imports and exports of certain classes of iron and steel manufactures (in continuation of Parliamentary Paper, No. 270, of Session 1910).

J. L. DOUGAN.

## REVIEWS.

THE THEORY OF POLITICAL ECONOMY. By W. STANLEY JEVONS, LL.D., M.A., F.R.S. With notes and an extension of the Bibliography of Mathematical Economic Writings by H. STANLEY JEVONS, M.A., B.Sc., F.S.S., Professor of Economics and Political Science in the University College of South Wales and Monmouthshire. Fourth Edition. [lxiv., 339 pp. 8vo. 10s. net. Macmillan. London, 1911.]

In noticing the appearance of a fourth edition of Jevons' *Theory of Political Economy* it seems more appropriate to glance at the general trend of thought in connexion with the subjects dealt with than to enter into details in regard to the contents of the volume which have now indeed for a long time been familiar to the public.

The views that were plainly dominant in Jevons' mind when he addressed himself to his task, and that were widely shared by his contemporaries, are expressible by the proposition that no science is worthy of the name of a science unless its leading conceptions are reducible to mathematical terms. Even if such a reduction might not seem feasible immediately, its ultimate achievement was a matter of hope and aspiration to them. The hope was a bright particular star to follow through all the storms of controversy. Nothing, Jevons said, is less warranted than "an uninquiring and unhoping spirit." What, then, was this far-off divine event on which philosophical desire at the time was concentrated? It seems to have been nothing else but this—the discovery that the ultimate nature of the universe is mechanical.

Philosophy has been coming round of late years to a different standpoint. The most interesting and probably the most enduring feature of M. Bergson's speculations is the contrast made so prominent in his writings, especially in *Creative Evolution*, between inert matter as the sphere of unvarying repetitions and the world of life and mind as the sphere of new and unpredictable phenomena and events. Let us suppose for the moment that there is no escape for us from Auguste Comte's conception, shared by Jevons, by Huxley, and to some extent by Mill, that the world is such that,

given complete knowledge of past conditions and adequate powers of calculation, all future events in all their detail could be, at any given moment, fully and accurately predicted, it still cannot but seem strange to find the establishment of such a proposition as unquestionable regarded as the realization of the ultimate hope of philosophy. It could certainly mean nothing else for us but the definite establishment of a more than Asiatic fatalism. It would mean the universalising of the conception of mechanism as applicable to human affairs; and if that were valid then the net result of the life of strenuous self-sacrifice and of the life of callous egotism must in truth be all one and the same in the end. Neither could bring about the smallest variation in the course of human events.

These, however, were the dominant conceptions of forty years ago. They are certainly in a much less marked degree at any rate the dominant conceptions of to-day. We are beginning to recognize that a law of nature in physics is something very different from a law of nature in biology or subject science. In physics the characteristic of such a law is absolute definiteness and precision. It lends itself consequently to exact prediction of the future. In biology and cognate sciences it is at the most a limit of variations, and often a wide one, within which quite conspicuous variations are possible, and within which also, of course, small variations can with time accumulate and become great ones.

Hence in biology and much more in the sciences where consciousness comes on the scene the exact prediction of physics, expressible by regular curves intersecting each other at definite points, is never possible; and that is at bottom the reason why the aspirations of those who hope to see economics converted into an exact science are destined, it is safe to affirm, to disappointment. "Henceforth," said Goethe in 1830, in referring to Geoffrey St. Hilaire's victory over Cuvier at the French Academy, "Mind will rule over matter in physical investigation,"<sup>1</sup> and if the present trend of thought in Europe is any guide, the fulfilment of his prophecy is becoming every day more fully assured.

The general conception of life that commended itself to Jevons, and to those who have followed him is, of course, thoroughly materialistic and mechanical. Everything in economics is supposed to be, at any rate ideally, capable of precise prediction. Men indeed are little better than automata. Professor Edgeworth, for instance, thinks that the true course of the markets may fairly be likened to a state of things in which men would put their fixed demand and supply lists into a "market machine" and would thus have their wares "passionlessly

<sup>1</sup> Eckermann's *Conversations of Goethe*, II. 291.

evaluated.”<sup>1</sup> Increases and decreases of supply, in the view of these theorists, take effect on prices after the fashion of the forces of the physical world. It comes natural consequently to Professor Marshall, for example, to speak of a community in which a perfect knowledge of the course of markets might be supposed to exist,<sup>2</sup> oblivious, as it seems to me, of the fact that a perfect knowledge of the markets would mean a perfect knowledge of the whole endless future. Prices again, as they rise are held to react on supply by increasing it and thus unfailingly to make a fall again set in. All this indeed is thought to be so certain and so clear that there is not the smallest difficulty in exhibiting it graphically. One wonders, however, what, in such circumstances, is to be made of the very common case in which a rise in the price, say, of some stock becomes the actual *causa causans* of a yet further rise, instead of being, as it ought, according to the theory, the cause of a stimulus to supply which must shortly bring about a fall. Men indeed are so constituted that, in the event of a fall, one man will say to himself “this brings the commodity within my reach” and so will bid for it, while another will say, “this is only the precursor of a further fall,” and so will carefully refrain from bidding. The unpredictability of human action is at bottom the cause of the failure of the graphic method ever to come to anything practical, and furnishes the fundamental reason why it can thus never come to anything.

“Pleasure and Pain” in Bentham’s words, quoted with warm approval by Jevons (p. 24), are the “two sovereign masters” of mankind. The psychology is that of fifty years ago. Human action was conceived indeed by the writers of that period as “tied by a string”<sup>3</sup> to all the fluctuations of desire. The Marginal Utility of commodities conceived of as changing every moment with every alteration in the abundance of supply is regarded as the animating principle of all economic life. The steady pursuit of ends so much more clearly recognized in the thought of the present day is foreign altogether to the conceptions of the theory. The Law of Diminishing Utility is supposed to furnish the explanation of all the exchanges of trade. If we find, for example, Harrods or Whiteleys to-day selling blouses or coats and shirts, that is because so many of these commodities have come somehow or other into their possession, that their Marginal Utility has been forced down to a point at which the owners are led to decide on abandoning them in favour of something else. The palpably true explanation of their action, that they bought them a week ago or a month ago in the hope

<sup>1</sup> *Mathematical Psychics*, p. 30.

<sup>2</sup> *Principles of Political Economy*, 5th Ed., p. 334.

<sup>3</sup> The expression is Professor Stout’s.

of now selling them at a profit cannot, by hook or by crook, anyhow be fitted into the theory.

As regards money they, of course, follow the classical economists in regarding it as a mere ripple on the surface of things, a detachable phenomenon the supposition of whose non-existence could make little or no difference to the fundamental nature of general economic conceptions. It was adopted, they think, from motives of convenience, by a convention of early mankind, and everything in industry and commerce can be equally well or even better explained if we allow ourselves to suppose for the moment that that convention was never entered into. What other among human institutions, however, can be held thus to owe its origin to a convention of miraculous savages? Can Civil Law or representative government, or language, or marriage? If not, how is it that money can be held to be the solitary exception? Drop the convention idea, however, and we cannot fail to be led to the conclusion that nothing in economics can be rightly considered and understood apart from the emergence of the monetary standard.

"The phenomena of modern business," remarks Professor Thorstein Veblen, the most brilliant of the younger American economists, "can no more be handled in non-pecuniary terms than human physiology can be handled in terms of the amphioxus . . . There is (probably) no science except economics in which an endeavour to explain the phenomena of an institution in terms of one class of the rudiments, which have afforded the point of departure for the growth of the institution, would be listened to with any degree of civility. The philologists, for example, have various infirmities of their own, but they would have little patience with a textual critic who should endeavour to reduce the Homeric hymns to terms of those onomatopoetic sounds out of which it is presumed that human speech has grown." <sup>1</sup>

Another American Professor again, Mr. Wesley Mitchell, takes up the parable in a recent vigorous and thoughtful article. "At present," he remarks, "we remain ignorant because we have leaped past pecuniary conceptions in our haste to reach the Marginal Utilities assumed to lie behind them. . . . Pecuniary concepts are much more than a set of empty symbols which men use merely to facilitate their "thinking," but which do not alter the substantial features of economic activity. Consequently the theorist who leaves them out of account in order that he may get an unobstructed view of the realities for which the symbols stand, becomes superficial when he means to become profound."

The day, indeed, is perhaps almost in sight when the vast literature of "The Margin" will be definitely and for ever relegated to the shelf.

<sup>1</sup> *Journal of Political Economy*, November, 1907.



So much in regard to the general aim and scope of this famous *Theory of Political Economy*, an epoch-making book beyond question in its way. As to the present issue everything from the editor's point of view is excellently carried out. This fourth edition is being brought out under the auspices of the younger Professor Jevons. "I should like, however," he remarks in his preface, "to associate my mother closely with the re-issue of this book. She watched with lively interest and sympathy the issue of the first two editions; the third she herself prepared. I remember as a child reading the proofs aloud to her, and she followed with eager interest my preparation of this fourth edition. The book is so much hers that I wish she could have lived to have the satisfaction of seeing the issue of what is probably the final edition." All this, indeed, gives the volume a quite unique interest of its own.

WILLIAM WARRAND CARLILE.

SYNDICALISM AND LABOUR. By SIR ARTHUR CLAY, BART.  
[230 pp. 8vo. 6s. net. Murray. London, 1911.]

A new movement must be allowed to choose its own name: and though one might wish that Syndicalism had seen its way to call itself by some name less barbarous and uncouth, we must be content to look forward to the time when the word will be as much at home in English as the shorter if in origin hardly less barbarous Socialism. At present its unfamiliarity makes it a serious rival of Socialism in the apparatus of the journalist who seeks to make our flesh creep by suggesting the presence of some sinister influence at the back of labour movements. In truth there has been during the last year or more a genuine Syndicalist propaganda in this country, of which some striking evidence has been made public during the last few weeks, and of which we shall doubtless hear more before long.

Syndicalism seems to have started in France as a consequence of disappointment at the failure of attempts to transform Society in the direction of Socialism by political action, and in the hope that more could be achieved by the direct action of organized labour, in pressing its claims against the State and the private employer. Whereas in England the formation of a political labour party with a more or less Socialist policy only came about when the older Trade Unionism seemed to have come to the end of its tether, in France Trade Unions, which were not legalized till 1884, still remained in a very backward state at a time when there was a well established Socialist party in politics. A *Syndicat* is in fact a Trade Union, and Syndicalism may be regarded on one side as merely a movement of Trade Unionism emphasized and intensified at the expense of political activity.

But behind this change of method, there are two matters of principle in which Syndicalism shows a re-action or development from the theory of Marxist Socialism. While it takes over from Marxism the emphasis laid on class conflicts as a factor in the movement of Society, it goes a long way to abandon the mechanical theory of history which is so marked a feature of Marxist doctrine. While the Marxist is never tired of insisting on the inevitableness of the social changes which he foresees, to such an extent that the *role* of the social reformer or revolutionist is reduced to the work of lightening the birth-pangs of a new social order which he neither brings about nor could prevent if he wished, Sorel's doctrine, which has avowedly drawn upon Bergson for much of its inspiration, finds a place for human spontaneity. Ideas are no longer mere epiphenomena of a material reality, but the moving forces of social change. The workers' movement has and must have at its centre something like a religion, a prophetic view of the future which cannot be defined but may be symbolized in "myths," notably this "myth" of the general strike. The attempt at a scientific prevision of a new social system is abandoned. Violence—and both the theory and the practice of Syndicalism have in this respect much to answer for—is looked upon not so much as a means of attaining ends clearly foreseen, but rather as the fire which shall keep class aspiration at white heat.

Again, Syndicalism, vague as it is on its constructive side, makes a real advance on the collectivist theory of social structure. Collectivism took over from the current social doctrine of the nineteenth century the refusal to acknowledge the existence of any societies standing between the individual and the State. It merely proposed to transfer to the State the whole direction of the economic activities, which individualism would leave, subject to the prevention of force and fraud, in the arbitrary control of individuals. The collectivist state, in fact, is a very Austinian sovereign, but one who is to make the very most, instead of the very least, of his sovereignty. Syndicalism challenges this claim: it will not hear of a system under which all power is, as it were, to be collected through the ballot box and concentrated in one point, from which it is to issue forth in the form of countless orders and regulations for the control of every individual in the community. Rather it looks to the organization of men in natural groups according to occupation: the workers are to control their conditions of work and the property which is their means of production. But this means a control by each group of what is necessary to it, not a control, at any rate not an ownership, of everything by the whole state community.

While we must condemn the encouragement which Syndicalism gives

to violence, and the propagation of "myths," not believed in by their authors, as the symbols of a "religion," there is much in the ideas underlying Syndicalism which is assuredly worthy of careful and sympathetic study. In this country at all events, in spite of the formal Sovereignty of Parliament, we are so much accustomed to the free and powerful action of public or semi-public bodies within the State community—local government authorities, churches, universities, trade unions, the bodies which control the medical and legal professions—that the conception of industries controlled by the workers engaged in them ought to come with less of a shock than in countries where the notion that all associations as such are a danger to the State has hardly or only recently disappeared. Our older universities and colleges—bodies of workers independent of the State, owning and administering their own means of production—might be regarded as the oldest Syndicalist institutions in the country. On another side, Syndicalism, stripped of its militancy, might well claim affinity with our co-operative movement. Nor again need one suppose that violence and forcible expropriation need form any part of an enlightened policy which would seek to give the control of an industry into the hands of the workers in it. The employer, like the feudal lord, has been a *dominus* in the double sense of master and owner. Already collective bargaining and legislation have begun to transform the relation of master and servant into that of parties on something like equal terms each with a share of control. The railway directors were not far wrong when they maintained that the claim of the Unions to recognition was or would mean in the long run a claim to take part in management. The Coal Mines Regulation Acts have already restricted the employer in his choice of managers, and have given the men the right to the appointment of officers charged with the duty of watching over their interests. It is not an inconceivable development that the master should in time come to be a very constitutional monarch, bound by convention if not by law to consult those now called his employees, and to act through ministers approved by them. And ownership is hardly a more stable conception than mastership: where we are dealing with ownership of the means of life and work, its exploitation can hardly be separated from the power which it can give over men. The constitutional monarch of the mine or factory may in time find himself also a very bare trustee.

But before things can go very far in this direction a good many questions must be asked and answered. For one thing, are the workers prepared to find the ability required, not only for the internal management of an industry, but also for success in its commercial dealings? Are they prepared to take the employer's risks as well as his profits? Will they set aside capital not only for depreciation and reserve, but

also for improvement and extension? In short will they be able to refute for industry the old maxim οὐκ ἀγαθὸν πολυκοιρανίη? For another thing, we should like to know something of the relations of these autonomous groups to each other and to the community at large. Are the profits of an industry always and necessarily the produce of the workers? Will they not include in many cases elements of unearned social wealth? May not a powerful industry increase this unearned element at the expense of the community? What will be the relation of the associated workers, strong in their possession of an industry, to those who seek to enter it? How about delimitation of employments? These are questions which Trade Unionism has hardly faced as yet; questions which both Trade Unionism and Syndicalism must answer in some way which will free them from the charge of anti-social policy. At any rate it is pretty clear that Syndicalism, if it is ever to be anything more than destructive, is not going to enable us to do without the State. There will be at least functions of regulation and adjustment which only a supreme authority can perform.

Sir Arthur Clay is not a Syndicalist, and we have no right to look to him for an answer to these questions. Probably he would say that even to ask them is to treat a policy of "predatory revolution" with undeserved respect. Nor can we expect a writer who speaks of Marx as "that discredited philosopher" to be particularly interested in the precise relations of Syndicalism to Collectivism. His concern with their differences hardly goes beyond a warning that there is no hope "that the national danger from the forces of disorder will be lessened by the fundamental antagonism which exists between the doctrines of Collectivism, Syndicalism, and Anarchy, and we must be prepared to find their forces working in alliance for the destruction of society, as it is now organized." The frame of mind in which he approaches his subject is well illustrated by three sentences from the short chapter on the intellectual aspect of Syndicalism. "As has been said, there is no difficulty in comprehending the attraction of Syndicalism for wage earners and their leaders; nor is it hard to understand the temptation it offers to an ambitious politician in a democratic country, as a ready means of obtaining political position and influence. But what can be the inducement which leads men of education, who are neither politicians nor manual labourers, to advocate a doctrine so hostile to the civilization to which they owe their own position, and so destructive of those amenities of life which they, of all men, might be expected to appreciate and hold most precious? And yet there are such men." There are some things not dreamt of in Sir Arthur Clay's philosophy.

He is a diligent reader of the *Times* newspaper, and during the last few years he has noted and collected from its columns articles and

pieces of news relating to labour disputes, mainly those in foreign countries. On these materials together with some study of the writings of Sorel, Mermeix, and Leroy Beaulieu, whose book on Collectivism he has translated, the first ninety pages of the present work are based. An introductory chapter dealing with the policy of the general strike in a few pages, is followed by that on the "intellectual aspect of Syndicalism," in which M. Sorel's *Réflexions sur la Violence* are duly chastised and Mr. John Burns and M. Briand are duly applauded for having turned from the errors of their former ways. After this we have a chapter on Syndicalism in France, in which something is said of the Confédération Générale du Travail, and of the Postal and Railway Strikes of 1909 and 1910; one on the Swedish strike of 1909, and another on Syndicalism in Italy, and the General Strike in Spain. Except that for the Swedish strike Mr. Penson's article in the *Economic Journal* has been drawn upon, there is hardly a reference to any sources of information other than the *Times*. No attempt seems to have been made to have recourse to official documents, or even to the press of the countries in which the events described took place. The result is that the author's account, though useful and instructive, as far as it goes, is singularly scrappy, and he has done nothing to go below the surface. Attention is properly called to the orderly character of the Swedish strike, in which the strikers picketed Stockholm in the interests of peace, and which formed a remarkable contrast to the violence which discredited the movements in Southern Europe. One would like to know whether the author thinks that the opinion of the *Times* Correspondent quoted on p. 89, to the effect that the Spanish Premier was not "at all likely to commit the mistake of insisting on excessive or general severity," was confirmed or refuted by the subsequent execution of Señor Ferrer after a secret trial by a military court. On the question of his guilt we are only told, "whether or not the charge was fully proved, Anarchists and Socialists appear to have adopted him as the representative and champion of their views and as such they warmly resented his execution."

The chapter on Syndicalism in the United Kingdom is like the chapter on snakes in Iceland. It would have been very different if Sir Arthur Clay had had before him materials such as the *Miners' Next Step*, a pamphlet published at the beginning of the present year in South Wales, in which the miners are advised to organize for the purpose of eliminating the employer and obtaining control of the mines by means of a series of strikes, while the policy of nationalization is definitely repudiated. It seems clear that this movement goes back for more than a year at least, and the author ought to have discovered the existence of Mr. Mann's *Industrial Syndicalist*. As it is, the chapter

is taken up with a few reflections suggesting the likelihood that English working men may be led to adopt the methods of Syndicalism.

From this point the book gets further and further away from the subject of Syndicalism, and in the last 140 pages degenerates into a series of articles in which the author expounds at some length his views on social questions at large. These views seem to be a curious mixture of pessimism and optimism. National well-being and prosperity, we are told, is mainly due to the middle class, and "progress in wealth and civilization is proportionate to the courage and energy it shows." "The British Constitution, the envy of the world, is largely due to this class, which has always been the champion of liberty." But this middle class is in danger of losing its virility: that is the one lesson which is accepted from M. Sorel; it has become "a *bourgeoisie* which welcomes attacks on its own privileges." "Even the present (1911) desperate attempt to destroy the ancient constitution of the realm by the Government is regarded with apparent indifference." "The recent increase of humane sentiment has not been accompanied by such an increase of knowledge as to enable the public to detect the peril concealed in many of the measures which are labelled 'Social Reform,' and so they fail to recognize the fact that by adopting these proposals which they innocently welcome they are materially aiding the State Socialists." Trade Unions "with their system of collective bargaining" have acted hitherto as a "safety valve." "Whether apart from this function the Trade Union system has worked beneficially for wage earners and for the country generally is questionable." "But under the new *régime* each union, under the command of the Socialist Labour party, will be a fighting unit to be employed as required by the general plan of the war against society."

On the other hand there are signs that the wage-earner "is already beginning to recognize that the measures of 'social reform' which his representatives in the House of Commons, with the connivance of both parties, have succeeded in imposing on the country do nothing to raise wages, but rather the contrary." The Osborne judgment has deprived the Socialists of much of their power; and "it seems probable that if the incubus of Socialist control were removed the old Trade Union policy might regain its ascendancy." The formation (announced in the *Times* of February 20, 1911), of the "British Labour party: a new organization opposed to Socialism" is an encouraging sign, and it is argued that Syndicalism "is repugnant to national characteristics, and that it is therefore unlikely to obtain any support as a definite policy by British workmen."

A good deal of space is devoted to an attack on Mr. Sidney Webb for his speech in September, 1910, to the Amalgamated Society of

Railway Servants, and even more to a reply to his criticisms on the Osborne judgment. This is not the place to consider whether everything that Mr. Webb said is justified or judicious. But Sir Arthur Clay has added nothing new to the Osborne question, and his qualifications for discussing it are made more than doubtful when he speaks as if Lord James of Hereford had not been one of those who gave judgment upon the case in the House of Lords, and refers to the "unanimous opinion of the most eminent English judges" in ignorance of the fact that two of the Law Lords totally differed from their three colleagues as to the interpretation of the Act of 1871.

There are some things that are sensible, if nothing new, in the book, and if it was written in a different spirit, it might do some service in calling the attention of working men to the very real dangers which lawlessness, oppression of minorities, and the breach of undertakings involve to the interests of Labour. But its whole outlook is so purely that of the propertied classes that (to borrow the author's words) it is "better calculated to exacerbate the suspicions" of those who are likely to read it "than to further the cause of conciliation."

W. M. GELDART.

THE LEGAL POSITION OF TRADE UNIONS. By H. H. SCHLOESSER and W. SMITH CLARK. [xxiv, 268 pp. 8vo. 10s. 6d. net. King. London, 1912.]

Messrs. Schloesser and Smith Clark's volume on the *Legal Position of Trade Unions* ought to prove of great assistance to all who are called upon to advise Trade Unionists as to their legal rights and powers, whether with regard to the conduct of Trade disputes or the internal relations of Unions to their members. Till the publication last year of Mr. Greenwood's *Law relating to Trade Unions* there was no book which made readily available the great mass of decisions which have developed the Common Law rules concerning Trade Unions and Trade Disputes since the passing of the Trade Union Act, 1871, and have applied and interpreted the provisions of that and subsequent Acts. There is abundant room for more than one book on so large a subject. Hardly anything that has been judicially decided or expressed by way of *obiter dictum* can fail at some time to become relevant in its bearing on future cases. The text-book writer's work is largely a work of selection, and since no selection can be exhaustive, students and those whose duty it is to consider the law in its practical bearings will be alike grateful to every writer who calls their attention to salient points, which may have escaped the notice of another. The authors of the book under review have presented in orderly arrangement the main

rules of the Statute and Common Law, and no decision of importance down to the end of last year appears to have been omitted.

In one respect the book is somewhat disappointing. Its title would lead one to expect some systematic explanation of the place which Trade Unions and their activities occupy in the whole field of law. Even for the reader who has some knowledge of law, and who turns to so anomalous a topic as the law of Trade Unions, this would not, I believe, have been without its value; the layman who, as officer or member of a Trade Union, has occasion to consider legal questions will, I fear, often be at a loss to understand the bearing of much that is quoted from judicial decisions. The few explanations of technical terms which the authors give do little to enlighten the unlearned reader, as when we are told that *pactum illicitum* is "a general term applied to all contracts opposed to law, either as being *contra legem*, *contra bonos mores*, or inconsistent with principles of sound policy." The book, in fact, for others than lawyers, follows too much the method of the practitioner's text-book, which aims rather at being a guide to the Statutes and law reports than an exposition of the law, and which presupposes in the reader's mind a whole system of legal categories. The law of persons, of property and trust, of contract and tort, and of agency all meet in Trade Union law, which consists largely of applications of general principles subject to statutory modification. If the trade unionist is to have an intelligent understanding of his legal position he ought to be provided with some outline of these general principles, and be made to see what their bearing is on the special rules which affect him. In particular something should have been said of the general nature of corporations and voluntary societies, between which two classes, if we are to believe the dicta of some learned judges, Trade Unions are suspended in a position of perplexing ambiguity.

This leads one to another defect which renders the book of less service than it might be for the layman, namely the uncritical attitude of the authors towards judicial utterances. In the two chapters on restraint of trade and the limitation of the Court's jurisdiction, which I think are the best in the book, the authorities are not only set out with a fulness which is extremely valuable, but are critically reviewed, inconsistencies are pointed out, and the results are summarized in such a way that the reader can distinguish between what is approximately certain and what is doubtful. But in other chapters the writers have acted too much as if everything that falls from a judge, whether as *ratio decidendi* or as mere *dictum* were of equal value. Thus, on pp. 168-9, we are told (in both cases on judicial authority) first that a trade-union "remains a voluntary association of which the law can take no special cognizance as a collective body," and secondly that it has "some of the



essential qualities of a corporation," that "at any rate when registered" it is a "legal entity, and though not perhaps in a strict sense a corporation, it is a newly created corporate body, created by Statute." And how about "the capacity to own property and the capacity to act by agents," which Lord Justice Farwell, as quoted by the authors, gives as instances of the essential qualities of a corporation? The Inns of Court and hundreds of clubs throughout the country own property and act by agents. If they have some of the "essential qualities of a corporation" it would seem that these qualities can be acquired without either a charter of incorporation or any Statute. Unregistered Unions own property, and yet we are told that "an unregistered has apparently no such corporate existence."

The chapter on "direct interference with the disposal of labour and of capital" opens with a quotation from *Keeble v. Hickeringill* to the effect that "he that hinders another in his trade or livelihood is liable to an action for so hindering him." The uninstructed reader will assume that he has here some fundamental and well-settled rule of law, from which important consequences may safely be deduced, and will only later discover that for practical purposes the law must be stated in such cautious propositions as that "it is unlawful at common law by illegal means to prevent persons from entering into contracts . . . if there be no sufficient justification." (Can there, by the way, be a "sufficient justification" for the use of illegal means?) The lawyer of course in the first place knows that sweeping dicta of this kind are no safe guide to any conclusion and at the most serve to round off an argument, and in the second place will discover, if his reports are properly noted up, that this particular *dictum* was subjected to a destructive criticism by Lord Herschell in *Allen v. Flood*, from which, in spite of section 3 of the Trade Disputes Act, 1906, and some obscure support from later cases, it has hardly recovered.

But, in truth, on many matters such as those above referred to, there is such a dearth of first-class authority that the task of writing an institutional book on the subject of Trade Union law is one of very great difficulty, and we have every reason to be grateful to the authors for a really valuable addition to our means of knowledge. There are a few evidences of haste in the production of the book, but the only serious matter in this respect is the omission from the table of cases of a considerable number of references to the pages of the text. The appendices contain the text of the relevant Statutes, Regulations, and Forms, and a table of the cases in which, down to the end of October, 1911, injunctions had been granted upon the footing of the Osborne decision against the application of Trade Union funds for Parliamentary or municipal purposes.

W. M. GELDART.

ECONOMICS : DESCRIPTIVE AND THEORETICAL. PART I., DESCRIPTIVE, by MARGARET McKILLOP, M.A. PART II. Theoretical by MABEL ATKINSON, M.A. (xiii. 184, 216 pp. Cr. 8vo. 3s. 6d. Allman, London, 1911.]

It is difficult to say which of these two authors has set herself the harder task—Mrs. McKillop, who endeavours to make her readers realize in some part their economic relation to society, or Miss Atkinson, who tries to be “thoroughly up-to-date” without “teaching as accepted doctrine what is still *sub judice*” in economic theory.

Mrs. McKillop, though she disclaims the intention of writing economic history, begins by giving a third of her Part to something which will certainly remind the reader of the matter usually found in economic histories. After that she gives two chapters to “the distribution of our expenditure” and “the renting of a house.” Then follow four chapters on local rates and what local authorities do. Five on national finance and government finish the Part. This distribution of space gives far too much to the territorial organization under “governments” and too little to the societary organization which depends on the institutions of the family and property. It is just as important to make young readers understand how these institutions work as to make them understand how government works. I admit it is more difficult, but I do not think that is the reason why Mrs. McKillop has declined the task. I think it is because of the curiously persistent belief that it is the province of “theoretical” economics to deal with private property and enterprise, while “descriptive” economics is more concerned with territorial action.

Part I. contains some inaccuracies which we should hardly expect in a book with two authors to criticize each other. The fact that statutory incorporated companies have always by the fact of incorporation had limited liability is ignored, and the grant of the privilege of limitation to ordinary companies is consequently attributed to difficulties experienced in the financing of railway construction. The every day term “county-borough,” appears to be unknown to Mrs. McKillop: apparently endeavouring to speak of the county-boroughs, she says “they are known as *Counties of Cities* or *Counties of Boroughs*,” and tells us that the counties of cities, “such as Norwich, Bristol,” are 19 in number while the “counties of boroughs, such as Halifax, Liverpool,” are 64 in number. The “municipal boroughs” are, she adds, 307 in number. This is a terrible muddle. There never were any “counties of boroughs”; the “counties of cities” number 12; and (with the exception of the City of London) only differ from other cities in having a sheriff who ousts the jurisdiction of the sheriff of the county; there are 7 “counties of towns” with separate sheriffs,

like the counties of cities; there were at the last census 75 county-boroughs, and 252 ordinary or non-county municipal boroughs; four of the old counties of towns and one of the counties of cities are not county-boroughs. Mrs. McKillop's 64 and 307 are the numbers for county-boroughs and all boroughs (including county-boroughs) given in Blake Odgers' *Local Government*, published in 1899, and were very possibly correct at that time. Other inaccuracies are plentiful; Lincolnshire is divided into three Parts, not, as stated, into two ridings, which would indeed be a contradiction in terms; the Local Loans Stock is in no sense raised by the Local Government Board. The account of the stamp duties is singularly weak and misleading; to allege that "the first attempt at a system of special land taxation was in 1697" is almost criminal. Sometimes the style is slipshod in the extreme: we are told, for example, of rogues and vagabonds, that "in the Act at the beginning of James's reign they might be sent" to Newfoundland, etc. With all its faults, Mrs. McKillop's part is fresh and readable, and, if thoroughly revised with the aid of Wright and Hobhouse's *Local Government and Local Taxation*, the annual *Local Taxation Returns*, the *Finance Accounts*, and (if statements about the number of county-boroughs are really necessary), the latest list of motor-car identification marks, it might be quite tolerable.

Miss Atkinson is a more careful writer than Mrs. McKillop, and generally succeeds in representing the orthodoxy of the moment with accuracy. The most notable exception, I think, is where she says that Professor Marshall has given the name of quasi-rent to a surplus over ordinary interest sometimes obtained by owners of capital. Any one who will take the trouble to read Marshall himself instead of trusting to his numerous would-be expounders, will find that, just as rent is the whole income received from the ownership of land, so Marshall's quasi-rent is the *whole* income derived from the ownership of other instruments of production. A man cannot secure that people shall use a term which he has invented in the sense in which he uses it, but he is entitled to claim that they shall not say that he uses it in a different sense. In the main Miss Atkinson's weaknesses are those of the authority she attempts to follow. The theory of production is neglected; there is no strenuous attempt to answer the question why more is produced per head at one time or place than at another. Even the so-called "law of diminishing returns," which is part of a theory of production if it is anything, is tucked away under the explanation of prices. There is no attempt to answer the good old questions of "distribution"—what makes rent, interest, and wages high or low. In fact the possibility of saying anything about rises and falls of general wages seems to be expressly denied, though surely it is not

nonsense to say that wages are higher now than at some former period. Nor are the old questions replaced by new ones of greater interest. I do not think Miss Atkinson will give her readers the feeling that they are learning why some are rich and others poor. However, this is not her fault, but that of the reigning economics, the professors of which persist in trying to build without foundation.

EDWIN CANNAN.

OUTLINES OF POLITICAL ECONOMY. By S. J. CHAPMAN, M.A., M.Com., Professor of Political Economy in the University of Manchester. [xv., 413 pp. Cr. 8vo. 3s. 6d. net. Longmans. London, 1911.]

This book is intended for beginners in the study of economics; but it will be found difficult by them, in spite of the fact that certain portions of it (distinguished by smaller print) are recommended for later study.

It represents the modern development of economic science as being a branch of sociology, and also largely influenced by psychology. Yet, unlike many recent writers on this subject, Professor Chapman makes few appeals to actual or historic fact; he deals in general argument, and instead of giving special references, he adds a full bibliography. Diagrams are given as illustrations of arguments, but these are merely supplementary to the text, which is complete without them.

The chain of reasoning is thus strictly maintained, while, apart from the inherent difficulty of this treatment, the author makes the subject more remote than necessary by his elaboration of definitions, and minute analysis of statements. This is especially noticeable in the opening chapters on the general position of economics, and in the examination of demand. Such subtleties are chiefly useful as a process, and can be of little service to a student. They have the additional disadvantage of leading to confusing terminology, abounding in compound words, by which the author strives to express his complex ideas. It is interesting, but not always profitable, to stretch language to the breaking point.

Nor is the book made easier by the system of arbitrary enumeration employed by the author. This is an inelastic method, and gives a false impression of finality. As an example of this defect, I notice that certain *desiderata* for money are numbered as if the list were complete, though there are several obvious omissions; while some other lists are equally unconvincing.

In spite of such unnecessary obscurity, the book will repay some

expenditure of mental effort, for it contains a concise statement of economic causes and effects as they are applied to modern conditions. Fallacies are clearly exposed, and differences of advantage neatly balanced. No difficulty is glossed over by a conventional use of terms. Thus, "consumption" is shown as the primary cause of production—a point of view which was often lost in the older arrangement. The "law of diminishing returns," also, instead of being regarded as a fetish, is treated in conjunction with that of increasing returns; and capital is put with labour in forming together one of the two main agents of production. Distribution is well described in detail, but its actual position in the industrial scheme is not so clearly explained; while it seems a pity to retain the ambiguous word "profits," in speaking of the employer's surplus, together with his "earnings of management."

But the book does not deal merely with these abstractions; it is clearly linked with social questions of the day. These modern influences are apparent in the descriptions of cycles of trade, and in the mention of "subjective or objective opportunities" to be given by the State. In this respect, though the work may not be altogether suitable as a student's text-book, it cannot fail to further that clearness of thought which leads to wise action.

M. W. MIDDLETON.

#### THE THEORY OF DISTRIBUTION AND CONSUMPTION.

By T. LLOYD. [xiii., 508 pp. 8vo. 15s. net. Nisbet. London, 1911.]

This book is not what the title would lead the reader to expect; for it is not a treatise on economic theory, but a collection of articles on social reform. These have already appeared in the *Statist*, and are here issued with some apology for the lack of revision. They, indeed, contain so many repetitions that the work might have been greatly curtailed; but its one object is clear, which is to urge means of increasing "the purchasing power of the poor," and in this way to lessen the misery of the world.

The writer speaks of orthodox economists as a hindrance to social reform, and treats economics as an inductive science. He is right in emphasizing the fact that consumption is the end or object of all production, and is thus the determining factor of industry; but his statement that wealth is subjective shows confusion of thought. In all economic calculation a demand for material goods must be postulated as the cause of production, and the function of economics must be to

examine the conditions of demand, not merely to comment upon its variability.

The author shows, however, no appreciation of the work of economic science, even in its more modern phases. His work is discursive and general; he gives few statistics, and no definite references. His allusions to history are chiefly limited to constantly recurring mention of reforming measures in Prussia, Japan, and elsewhere. The style is didactic, and Mr. Lloyd is evidently very much in earnest, though his recommendations are too vague to be useful.

The earliest chapters deal with the social conditions of the British Isles; then follow sections on India, the Crown Colonies, and the self-governing dominions respectively. These general descriptions are accompanied by suggestions for reform, to be effected by Government in the interests of the people. The author declares his approval of Free Trade, but in other respects he favours State action in all departments of life. In many places he attacks the present systems of education in this country, and advocates one which should include training in hygiene and handiwork. He often holds up other nations as examples to the British Empire, and urges the inclusion of subject races in political privileges. Many of his comments are obviously right; many are unjust; but none are definite enough to be fruitful of good results.

The book certainly contains some good ideas. It arouses interest in distant parts of our Empire, and reminds the reader of such significant coming events as the opening of the Panama canal. But there are many omissions which weaken the chain of argument. Thus forestry is not included in the chapter on the conservation of natural resources, and in many cases the actual means for securing many desirable results is not indicated. All is imposed on a potential government, while the deep-lying differences between races and individuals are not grasped. For these reasons it cannot be said that the book will contribute towards social reform, in spite of the earnest desires of its author.

M. W. MIDDLETON.

THE PROGRESS OF JAPAN, 1853-71. By J. H. GUBBINS, C.M.G.,  
Lecturer in Japanese in the University of Oxford. [323 pp. 8vo.  
10s. 6d. net. Clarendon Press. Oxford, 1911.]

Why do revolutions happen? the student of politics is inclined to ask. Why does the existing Government not make the obviously necessary changes, and save the ordinary householder the ruin and horrors of anarchy? Is it not because no Government could survive the unpopularity of making great social and economic changes, which

are therefore accompanied by the breakdown of all government? A class of Japanese students averaging about twenty-three years of age was asked to write an essay on "A comparison between the Japanese Restoration and the French Revolution." Every member of the class declared that there were no points in common upon which the comparison could be based, and yet all of them showed some knowledge of the changes effected during the latter commotion. A different title for the official head of the government has so successfully focussed the attention of fifty millions of people as to leave them unaware of a social and economic revolution unsurpassed either in swiftness or completeness.

*The Times'* reviewer of this volume complained that it was unnecessary. It would have been well worth publishing if it had no other merit than the omission from its title of the misleading word "Restoration." Scanty as is our knowledge of the powers exercised over the Japanese islands from Kyoto in the sixth and seventh centuries of our era, it is enough to assure us that it in no way resembled the administration characteristic of the second half of the nineteenth century, the only one which it was possible to set up in Japan when the Shogunate disappeared. The term "Restoration" is interesting, because it enshrines the make-believe which may have spared the Japanese some of the wrench of revolution, and doubtless made it possible for a tiny clique of social nonentities to issue commands successfully to two hundred and seventy-six reigning princes and their aristocratic counsellors. There is no sense in which any serious historian can apply the term to the political phenomena of the sixties in Japan. It was proposed by the Government last year to produce an official history of *Meiji* (the period from 1868 to the present day), but the proposal met with the opposition of all the independent scholarship of the country.

Pace the *Times*, it is no fault of Captain Brinkley's, any more than it is of Adams, Dickins, or Longford (admirable though their works are in their way), that the Japanese revolution is at last emerging into the light of day. Mr. Gubbins, by deciding upon a short and particularly lucid book, unencumbered by the confusing plethora of names which render nugatory many attempts to inform the public about unfamiliar countries, has deserved the gratitude of the simpler seekers after truth in this direction. He propounds no theories in his plain ungarnished tale, but his facts can be gathered into more probable hypotheses than any that have been yet allowed to have currency in Tokyo. The changes which took place in Japan in 1853-1871 were those necessitated by social and economic conditions which had become intolerable and impossible. The struggles of strong and proud men for power gave them the actual direction they took. Pressure from

without accompanied by a mild use of explosives and bayonets gave a most welcome impulse to a painful process which gained nothing by being slow. The accident of the old Chinese paraphernalia of a centralized administration having been preserved in Kyoto supplied those useful, if generally detestable things, a name and a cry.

What were the forces which, apart from the personal rivalry of Ii of Hikone and Nariaki of Mito for the *de facto* sovereignty of Japan, produced the sweeping revolution which actually occurred remains for the student of the period a fair field with but little favour for ingenious speculation. Mr. Gubbins has dropped enough hints to set the speculative department of our brains actively at work. Did Ii and Nariaki stand for great causes? Did the steel and poison, so successful all those thirty years, deprive the world of a galaxy of Mirabeaus and Lamartines? Were the inaugurators of the narrow unideaed military nationalism of Meiji an insignificant remnant, whom the bravos of the old regime had not thought worth killing? It is said to be harder to-day for a man in the lower orders to rise than it was under the Tokugawas. Yet the documents of the revolution still bring to us the echoes of a propaganda not less radical than that of Camille Desmoulins. Was Nariaki only a jealous old Front de Boeuf? or was he the protagonist of those champions of their order, its privileges, its graces, and its services to the common weal, who, in another land, died smiling on the guillotine?

Nakamura Katsumaro, one of the sources cited by Mr. Gubbins, tells us that Ii, heir to one of the very proudest names in Japan, was never so happy as when performing the mysteries of the Tea ceremony with a great master of the same, a humble plasterer called Rihachi: that he considered the existing system as bad as it was senseless, and only hesitated to abolish it because of the disturbances such a course would provoke. The same author wishes to impress upon us the considered character of Nariaki's opposition. The opponents of intercourse with the west, he says, are by no means to be identified with those who were ignorant of western affairs. In no clan were there so many scholars of the Dutch school as in Mito. He then quotes Fujita Toko, leader of thought in Mito, and now generally esteemed as one of the very greatest prophets of modern Japan, as saying that "those impudent cunning foreigners, if once admitted, will soon begin to preach crooked doctrines and try to win the hearts of the common people."

Had the Nariaki and the Mito conservatives organized a party of resistance to the dangerous reformers who were concerned about the condition of the common people? From a review of a recently published life of Okubo Toshimitsu, I glean the fact that the famous Saigo was a strong supporter of Nariaki's nominee for the Shogunate.



Separate as were the interests of his own clan of Satsuma, only community of ideas could have prompted Saigo to interest himself in the fortunes of distant Mito. His support, however, was solid enough to bring down upon him a sentence of deportation when Ii triumphed and his nominee, not Nariaki's, became Shogun. How complete was Saigo's opposition to social and economic change has been set forth in detail by Mr. Mounsey in his *History of the Satsuma Rebellion*. This review also supports the notion that all the great reformers perished in the struggle leaving the power in the hands of a group of opportunists. It was Okubo who gave form and permanence to the work of the revolution, and yet Okubo, it says, had absolutely "no principles or policy of his own."

It is easy to exaggerate what has been called "the economic interpretation of history." Very likely "a Hikone" or "a Mito" could raise far more blades in the Japan of, say, 1858, than "Liberté, Fraternité, Egalité;" but these last were desperately, however unconsciously, needed by the country, nor did they lack exponents who could give expression to the need. Mr. Gubbins tells us that "the tide of popular feeling was in the direction of change," and speaks of "the growing excitement and unrest in the country," "feudalism in its death throes," "turbulent and unsettled times": and holds that the economic situation was so bad that in foreign intercourse involving trade and developed industry "lay the only salvation of Japan." The unpopularity of the Shogunate he attributes to its "being inseparably associated with feudalism in the thoughts of the nation." With regard to its expression no stronger example could be found than the Imperial oath, administered to the young Emperor on April 6, 1868, a full translation of which Mr. Gubbins quotes.

The oath consists of five short articles. The first four promise equal privileges to all classes, and the fifth undertakes to seek for knowledge throughout the world. "The idea of consulting public opinion," our author tells us, "had long been in the air," and at the assembly of notables which was actually called "any one who had an opinion to express was to do so without fear of the consequences." He adds "the ambitions of the reformers were much in advance of the times," and—so completely has the attention of the people been diverted by militarism—are so still. It may be fancy, but I have often felt, even before reading anything about the revolutionary propaganda, that the real content of present day Japanese emperor worship and nationalism is the exultation of a people who have come into their inheritance and find it extremely good. The considerable body of students with which I come into contact are all drawn from poor houses and almost all from small villages. It is still a wonderful thing to them, this country,

this empire, this place among the nations, which so lately became theirs, and which, forty years ago, was so emphatically not theirs, but the property of their cruel and contemptuous superiors. It is a commonplace of history that these are the most perfect conditions in which to develop a one-sided and aggressive patriotism.

A professor, a Tokyo man, has used to me in conversation the phrase, "the barbarians from the south-west have conquered our civilized country," referring to the triumph of the Satsuma and Choshu clans after the fatal rivalry of Ii and Nariaki had removed all the leaders of the central and more civilized region. The ideals of Meiji have been little more than the beggarly elements of the visions seen and the dreams dreamed by the men of the revolution. The imperialism which has poured wealth and power into the lap of the militarist clique was an entirely different creed when expounded by such men as Motoda Toya. We find him in 1850 calling for equality of opportunity of the Confucian type and preaching a gospel of paternal love, emanating from the throne and irradiating every humble hearth, without exception or distinction, in the empire. What such men as he were demanding of statesmen was the realization of this glowing vision. Twenty years later he finds fault with Okubo for neglecting his opportunities of realizing it; and insists that the pomp and circumstance of military enterprise can in no wise be accepted as a substitute.

Mr. Gubbins brings out in interesting detail the falsehood of the "Honour the Emperor: drive out the Foreigner" cry. Ii was anything but lacking in deference to the Mikado: nor had he any desire for foreign intercourse other than that demanded by the material interests of Japan. He makes it plain that Nariaki's intrigue at Kyoto was merely his last resort after being beaten at Yedo. In fact Ii, by means of his correspondent, the Kugé Kujo, and his vassal Nagano, beat him at Kyoto also. How little it was a struggle for or against foreign intercourse is demonstrated by the fact that the imperial decree which declared for Ii against Nariaki was also an anti-foreign one, and, immediately after its receipt, Hotta, who had favoured foreign intercourse, was deprived of office.

Nariaki's next move was the assassination of Ii, which was followed in these bloody days by the extermination of his most faithful supporters. With the scanty material so far available, it remains a speculation, but a promising speculation, that Japan was within an ace of a movement that might have placed her alongside of France in the van of nations.

Mr. Gubbins also disposes briefly but emphatically of a myth fostered by Mr. Griffis, Mr. House, and other writers. In the earlier days of Meiji there was a brief but considerable rage for things foreign. To

those who made acquaintance with Japan at that time it must certainly have seemed absurd to have shelled the forts of a people so anxious for foreign intercourse, in order to press that very intercourse upon them ! The rage has long vanished, and there are excellent witnesses to help dispel the myth. Three may be called here to support Mr. Gubbins. The first is Sir Rutherford Alcock who studied the conditions and gave his opinion at a time when he had no hope of the British Government supporting him by force. So little desire to open the country to foreigners did he find that he concluded there would be nothing else for it but to withdraw the diplomats and abandon the attempt at commerce. The second is Vice-Amiral Layrle who was in Japan from 1863-1868, and again in 1887. In *La Restauration Impériale au Japon* he records his astonishment on being told in Yokohama when he returned there that the British squadron had really suffered a severe defeat at Kagoshima, and that Mr. Richardson had provoked his own assassination by his bad manners ! The third is Mr. Griffis himself, in his volume, *Townsend Harris in Japan*. This gentleman, he tells us, was faithful all his life to his mother's behest to "hate the British." Fifteen years of trading up and down Asiatic waters had inspired him with a fixed determination to secure a depôt not in the hands of that hateful people, where American ships might coal ; and he had fixed upon Japan as the place to do it.

He waited four years at the out of the way hamlet of Shimoda, hoping by presents of champagne and revolvers to gain his end. Meanwhile he was totally ignored by the American commodore in the China seas who was so actively engaged in co operating with Britain as to be unable to send on to Harris his supplies and mails ! He knew, the very great difficulty of his task ; but the complete success of the Franco-British arms in China coming to his aid, he was able to get a favourable reply, which was obviously going to be repudiated if possible. So original and uncommon was Harris's belief that it could all be done by kindness (so long as the French and British navies were in the offing) that his successor in office, rather than be out of the bombardment and storming of Shimonoseki, sent a merchant vessel with one gun mounted on her deck to represent America in the fight ; and subsequently insisted upon an equal share of the indemnity which the combined squadron (including nine British warships carrying 3500 men) had secured. This martial ardour was eclipsed later by the rise of the myth, and the American share of the indemnity repaid, not to the British, French and Dutch to whom they owed it, but to the Japanese ! The fact is that the Americans had already tired of peaceful means as far back as 1845, and Perry himself was prepared, if necessary, to seize territory in order to force the concessions desired.

Japanese history is shrouded in the difficult script in which its documents are written, and overlaid with myths of native and foreign manufacture. Mr. Gubbins has used his scholarship to remove no small portion of the former obstruction to would-be students, and his knowledge, gained on the spot, to refute the latter.

R. E. VIEWER.

**NATIONALITIES AND SUBJECT-RACES.** Report of Conference held in Caxton Hall, June 28-30, 1910. [xii. and 178 pp. 3s. 6d. net. King. London, 1911.]

This report of papers and speeches delivered at an inter-racial conference contains contributions by many eminent persons well qualified to speak on problems of conquest. There are papers by the late Sir Charles Dilke, Professor Gilbert Murray, Mr. J. A. Hobson, Lala Lajpat Rai, Mohamed Farid Bey, and Mr. G. K. Chesterton, reported at some length. It is unfortunate that many of the other speeches are much abridged. The report as a whole touches on a large number of questions in every quarter of the globe, but one could wish that more had been said on each topic.

There are clear and sympathetic accounts of the difficulties lying about the path of nationalism in Egypt and Persia, in both of which countries educated opinion is opposed to a monarch supported by foreign force. There is, of course, a severe indictment of Russian rule in Finland and Georgia. But the most interesting contribution is that dealing with conditions in India. Lala Lajpat Rai assumes the truth of the debated financial drain on India and of widespread corruption among the Indian police. He gives the still-needed warning that the English are in India for other interests than their own. Two main difficulties are treated as standing in the way of India's good government—the absence of any real autocracy, owing to the dependence of even the highest authorities on a foreign democracy and the interference of foreign commercial interests in Indian finance. His very just claim is that, since Western economic conditions are inevitably being forced on India, with them should come Western ideas of citizenship.

B. Chandra Pal wisely describes the future of India as follows: "You are there and you propose to be there as long as we do not make it impossible for you to continue there. And from the time we make it impossible for you to be there we shall be very educated, qualified, strong to govern and protect ourselves."

Ireland and Poland are unfortunately almost crowded out of the discussion, and the few pages devoted to these unhappy nations are somewhat trivial. Sir Charles Dilke's paper on forced and indentured

labour in South America is most interesting. The question needs the fullest ventilation at a time when local overseers of coloured labour are forced to produce wealth as best they can by the ignorant and no doubt benevolent but grasping shareholder. There is also a short statement showing how widespread are the abuses of white domination and how great the debt of hatred owed by coloured races to Europe.

Naturally very few positive proposals were made. A scheme for an international intelligence bureau was put forward for the publication of trustworthy information. The questions at issue are twofold. For controlling white domination in "uncivilised" territories an international tribunal supported by force was proposed. With regard to the intricate problem of the nations of the East, Mr. Hobson states the Imperialist position very fairly, and admits that most European powers can impart to their subject peoples a higher ideal of civil justice. But when that lesson has been taught, the next step is to give European democracy as well.

R. LAFFAN.

BANQUE DE L'EMPIRE D'ALLEMAGNE (REICHSBANK) SON ORGANISATION ET SES OPERATIONS. Par HENRI MORLOT, Inspecteur des Succursales de la Banque de France. [344 pp. 8vo. Jacquot. Dijon, 1911.]

The great banking institutions of the leading commercial countries are at the present moment very much under observation. Trying times have revealed weak spots, and bankers and statesmen of one country show themselves rightly anxious to mend matters in their several homes by learning new lessons abroad. It is to such concurrence of incidents that we owe the valuable collection of publications recently issued by the Senate at Washington.

France, in spite of the enormous abundance of gold piled up in the keeping of her bank, has had her trials like other countries, though they have been much less marked. France is not as speculative as either Germany or the United States, and its men of business rely much less upon borrowed money. However, the Bank of France has just had to submit to another bleeding process for "wants of the community"—on the top of the toll levied for agricultural credit—for which it is to be hoped that the multiplication of its branch offices may yield it compensation. The Bank of France has, in spite of great differences in the conception of the organization adopted, this feature in common with the Imperial Bank of Germany, that both institutions make it their avowed policy in different ways to promote and finance the trade and commerce of their country, whereas our Bank of England

prudently confines itself to "banking." Under such circumstances, and in view of the steady expansion of business between France and her eastern neighbour—in spite of occasional friction—which expansion as a matter of course reacts upon international business transactions, it is not surprising that a French banker, one of the officers of the Bank of France, should have made the Imperial Bank of Germany his study. As a result he gives in the book above-mentioned a very clear, succinct, and accurate account of the organization of the Imperial Bank. From a writer of his position one would have been glad to hear a little more.

The Imperial Bank of Germany has by no means escaped troubles of its own. Moulded to some extent upon our own Bank of England—at a time when the "Currency" school still held sway, which taught that circulation could be regulated by the issuing institution—it has departed from our English rule rather strikingly in substituting an elastic self-regulating limit for note circulation, in the place of the rigid one laid down by Peel. It is free to issue beyond the regulation limit; but it must pay a tax upon the excess issue. There are people in this country who consider such arrangement superior to our own; and we have had foreign financiers, like M. Luzzatti, speaking openly of our occasional suspensions of the Bank Act as a proof of the insufficiency of that Act. That is wholly false reasoning. An article from the pen of Professor Lexir, opportunely published in the *Jahrbücher für Nationalökonomie und Statistik*, shows to what inconveniences the Berlin system has given rise, to what serious excesses of issue over cover it has led. And that in a country which is anyhow, in comparison with its business requirements, under-provided with gold, as is, among other things, very clearly shown by the enormous drafts made on bank credit on quarter-days, when payments fall due.

As a purely "objective" account of the Bank of Germany's organization and system M. Morlot's book may be recommended as a trustworthy guide.

HENRY D. WOLFF.

CIRCUMSTANCES OR CHARACTER. By CLEMENT F. ROGERS, M.A., Lecturer in Pastoral Theology, King's College, London. 218 pp. Crown 8vo. 3s. 6d. net. Methuen. London, 1911.]

This volume consists of papers written at various times and contributed to magazines, or read at conferences. This fact sometimes causes a certain tendency to overlapping, as it is natural that the same incidents should be used as illustrations on more than one occasion. But the overlapping is very slight, and is more than compensated by the freshness of treatment resulting from the same cause. Mr. Rogers combines a thorough grasp of principles with much practical experience;

and in reading the present volume we feel that each paper was written while the facts were still fresh in his mind. Hence the book is exceedingly vigorous. Moreover, the various papers fit very well into an ordered scheme, and the book gives one the impression of being an organic whole.

One hears so much nowadays about the influence of environment that it is refreshing to be reminded so forcibly by one who has been in constant touch with the facts of life that character is a more important thing than circumstances. Mr. Rogers' contention is that (as the Dean of St. Paul's recently put it) the pig makes the sty, and the sty does not make the pig. Presumably Mr. Rogers would not deny that environment has much to do with moulding character; but what he does help us to feel is that nearly every social evil has its roots somewhere in human character, and that character itself makes the environment by which it is in its turn to be influenced.

The result of this is to show very clearly that in the Christian view of the world, and in that alone, can any remedy be found for all social ills. Improve environment, and you do not necessarily make people honest, pure, or sober. On the other hand, improve human character by converting the conscience of individuals, and thus leavening the whole lump with higher ideals, and the result will be an improvement in environment.

But while Mr. Rogers insists that the ultimate solution of social problems lies in the Christian Faith as the mainspring of human character, and while he sees that the clergy are charged with a special and most urgent mission in this direction, he does not hesitate to condemn the ordinary parochial methods as doing more harm than good. Nobody who has had any experience of pastoral work among the poor will fail to be struck by the truth of his indictment. The parish priest too often comes to be regarded by certain members of his flock chiefly as a kind of not very efficient and not very discriminating relieving officer. And this giving of doles, while in some cases it may be the only makeshift that is possible, is in others most injurious to that independence of character which it is the task of religion to foster and not to destroy.

Mr. Rogers points out that what is wrong with parochial almsgiving is often not only the method but also the motive. There is, he says, too much desire to "get hold of" the people. No one can deny the truth of this. The zeal that is often shown is splendid, but the Church is apt to be led away by the spirit of the world. These are days of keen competition, as we are constantly being reminded, and there is a tendency to estimate success by statistics and tabulated results. From this tendency the Church is not free. The consequence is that

works of "charity" have in the past too often become a mere bait to attract those who would not otherwise have anything to do with the Church.

This book should be read by all who are interested in social work, especially by the clergy. It is intensely interesting, and is popular in style. It reveals the immense amount of harm that may be done by unthinking and indolent kindness, and it shows the lines along which true social reform must work. It will, I think, convince those who are still in doubt as to the methods of the Charity Organization Society, whose splendid work Mr. Rogers is so well qualified to judge. Above all, while showing where the real trouble lies, it will inspire in its readers a fresh confidence in the power of the Church to touch the root from which the trouble springs.

C. E. ROLT.

THE SPIRIT OF SOCIAL WORK. By EDWARD T. DEVINE. [240 pp. Cr. 8vo. \$1. Charities Publication Committee. New York, 1911.]

The modern philanthropy, says Mr. Devine, must not only discover social evils: it must probe to their origin. It must find who is responsible for exploiting the poor: it must "destroy the causes of dependence." This is no small task, but the contention is not without justice. The philanthropy which merely relieves poverty is a poor thing. Be its motives never so beautiful, it failed utterly in its duty to the race. It bred lack of self-dependence, and it often brought positive evils in its train. Maybe we are better to-day in that we are infusing some social zeal into our legislation, and are being charitable in a more considered and scientific way.

Mr. Devine's book is full of exhortation. He has had a wide experience, and he knows precisely what philanthropy can and cannot do. "If the strong men of the community will take the leadership which naturally belongs to them in dealing with congestion and overwork, if they will be responsible for writing into the law and court decisions an appropriate expression of organized love in its relation to the great evils, then we may safely leave to what are ordinarily called organized charities in the narrower sense all that will remain of the problems of dependence in the city of New York." Under congestion he includes all things which make for sweetness of life in a crowded city—housing, sanitation, streets, parks, playgrounds, and transit facilities. The plea, therefore, is for a wide extension of the conception of municipal responsibility in which apparently he would include pawnbroking and industrial insurance.



The book is significant of a stirring of the spirit in America. In most phases of social enthusiasm it cannot be claimed that the cities of the United States have gone so far as we have in England. But there are signs in plenty that a new point of view is being taken. The rich outpouring of the wealth of millionaires is no salve for social wounds. The exploiting of the poor, such as Mr. Devine describes, is hideously common. There is work in plenty, both for careful legislation and for the melting hearts of those who give of their riches in "organized love."

JOHN GARRETT LEIGH.

MONOPOLY AND COMPETITION. By HERMANN LEVY, Ph.D.,  
Professor in the University of Heidelberg. [333 pp. 8vo. 10s.  
net. Macmillan. London, 1911.]

This book, published two years ago and now translated into English, is of special interest at the present time, when competition is threatened by trusts and syndicates. The author gives a careful and unbiassed account of economic monopoly in England, both as it is now, and as it was anticipated in the two preceding centuries. He points out the peculiarities of English development in this respect, since England now is slow to follow the tendency to monopoly which is so obvious in America and elsewhere; whereas she was to the forefront in the movement known as the Industrial Revolution of the eighteenth century.

These peculiarities can best be explained by a study of English conditions from the break-up of the mediæval Gilds to recent times; and Dr. Levy devotes the first part of his book to a history of the monopolies of the seventeenth century. These have usually been studied from their political aspect, in relation to Parliamentary opposition to the Crown, and thus their place in the economic sequence of events has often been overlooked. The facts, however, prove that they were the first manifestations of capitalism, and in that respect made a nearer approach to modern conditions than that made by the local monopolies of the Gilds which preceded them. Dr. Levy here traces in detail their rapid rise in the sixteenth century, due to the extension of industry; and shows how they spread and flourished in spite of many checks, until finally abolished after a short but vigorous existence. Thus England won her way to free home-competition at an early stage, while Germany was still retarded in economic development by political disunion.

The second part of the book deals with a subject which has hitherto received little attention, and which is therefore almost a new field for economic investigation. Dr. Levy has done useful work in collecting

material showing the failure of repeated attempts during the eighteenth century, and until about 1840, to form cartels in certain industries. During this period, the economists from Adam Smith onwards accepted competition as the normal condition of industry, and usually looked upon monopoly as a mere obstruction or exception to the established rule; though Adam Smith, with his accustomed sagacity, mentions the possibility of combination among employers. So fully was competition postulated that this second movement towards combination has passed almost unnoticed: yet it is a necessary link in the history of the monopolistic tendency, which is now such a prominent feature in industry.

The third and last part of the book is concerned with this most recent development of monopolies in England, and, after a careful examination of facts, the author accounts for the delay of monopolies in England by several circumstances. Of these, the chief are free-trade, and the absence of natural monopolies; but Dr. Levy will not allow that mere prejudice had any practical effect, and he indicates the possibility of combination in production which should be profitable by means of reduced expenses rather than higher prices. Such a form of monopoly would rest upon inter-national agreement, and would be free from many of the defects of the older forms. It is dangerous to regard any economic phase as final, and the conventional view of competition must give way before one including wider possibilities.

In this way the author ends with the suggestion of a desirable consummation to what he considers an inevitable tendency.

The book indeed forms an admirable monograph on a subject of present importance, and the work has been done with great care. This entails many references and some repetition, which may be found tedious, but which will not deter the student. It may be added that the author's concentration on his subject is so complete, that capitalism itself is not questioned, therefore the ultimate effects of monopoly upon society as a whole must be the field of a separate investigation.

M. W. MIDDLETON.

TRADE AND THE NATIONAL IDEAL. By M. H. G. GOLDIE.  
[157 pp. Cr. 8vo. 2s. 6d. net. Murray. London, 1911.]

This book starts with certain statements of specific means by which the ideal of the State is to be attained. But before criticizing these means, the reader may question the assertion that the ideal itself, as here described, is one which commands universal assent. For the author does not take into account the fact that a wider view is possible;

and that his patriotic zeal, instead of including general humanitarian principles, entirely overshadows them.

The proposed means of attaining this ideal are more obviously open to question ; and these are explained at greater length in the chapters which follow. They include universal military service, a stringent regulation of aliens, encouragement of agriculture, tariff reform, and some form of co-operation.

These various remedies for social evils are urged with force and restraint. Thus, only a moderate degree of protection is suggested, such as a sliding duty on foreign wheat, arranged in proportion to the world's harvest. There is also much that is reasonable and suggestive in other proposals for reform ; but the book suffers from a defective comprehension of economic truths. The advantages of home trade are discussed without due consideration of that *demand* for products which is the cause of industry. The effects of taxation upon demand are also neglected, and there is a tendency to insularity in the general point of view.

The author will command sympathy when he deplores wastefulness of capital, in drink and in other ways ; but the description of capital itself is too vague and unscientific to be useful ; while the same want of grasp is felt when he suggests co-operation as a means of securing harmony between employers and employed. The suggestion, so far as it goes, is good, but the want of depth makes it ineffectual.

The intention of the book is indeed excellent, and it contains some sound practical advice ; but where "knowledge is power," a want of economic knowledge must mean weakness of effect.

M. W. MIDDLETON.

OUR NEIGHBOURS. By the Rev. H. SCOTT HOLLAND, D.D. [176 pp. Cr. 8vo. 1s. 6d. Mowbray. Oxford, 1911.]

CHRISTIAN CITIZENSHIP. By the Rev. W. E. CHADWICK, D.D., [202 pp. Cr. 8vo. 1s. 6d. Mowbray. Oxford, 1911.]

THE BOY AND HIS WORK. By the Rev. SPENCER J. GIBB. [170 pp. Cr. 8vo. 1s. 6d. Mowbray. Oxford, 1911.]

This seems an admirable series. We can recommend it strongly to all who are interested either in social questions or Christian ethics, and still more strongly to those who are interested in both. The object of the Christian Social Union is to apply the moral principles of the New Testament to the conduct of social life. In all ages that has been a difficult object to achieve : in these days it is harder than

ever. By itself the moral or religious stimulus is an insufficient means. It must be reinforced by some knowledge of the complex social and industrial system in which we are set.

These handbooks provide both stimulus and knowledge. One should begin on Professor Scott Holland. He tells you of the early evolution of the C.S.U., its aims and difficulties, and starting with the assumption that you wish to do your duty to your neighbour, suddenly raps out the embarrassing question, "Who is your Neighbour?" Now-a-days, it seems, we have none. But the Professor will not let you rest there. With an amazing wealth of wit, humour, rhetoric and illustration, he starts the quest, finds you your neighbours, indicates the magnitude of the duty to be done to them and the sort of sustained effort that is needed for the doing of it, and finally commits you—for there is no escape from him—to an internecine war with Poverty.

Then comes Dr. Chadwick to tell us what is the teaching of the Bible on the subject of our social duty, and how we can apply that teaching in our ordinary life. Very clearly and cleverly he outlines the chief of the great problems that await solution—the breeding of a healthy race, the upbringing and the education of children, the provision of moral protection and healthy environment, the law of marriage, Poor Law reform, the position of the Church. His tone is quieter than Professor Scott Holland's as though addressed to those already stirred to make the necessary effort, but it is equally convincing. His booklet is full of clever analysis, useful information and sound sense.

And we can say the same of Mr. Gibb's book on Boy Labour. Indeed, it is really the more useful of the two, since he tackles a smaller problem and can give more detailed and definite advice. Here we have sketches of the different types of Boy Labour and the dangers and disadvantages involved in each. These are followed by suggestions for reform in the education, placing and supervision of boy or girl workers. Of all the aspects of social wastage this carries the strongest appeal to most men and women of to-day. It is so easy to sympathize with the young, and the trouble spent on them and their problems reaps a rapid and appreciable reward. Mr. Paterson's *Across the Bridges*, and Mr. Holmes' *What Is and What Might Be* have lately helped to widen the circle of such sympathy. There must be a very large number of people wondering just now why we should allow so much good young human material go to ruin for lack of a little thought, trouble or expense. Mr. Gibb defines the problem and suggests the means to improvement. He is just what they are looking for.

W. H. FYFE.

## SHORT NOTICES.

DISCIPLESHIP. By C. F. ANGUS, M.A. [115 pp. Cr. 8vo. Student Christian Movement. London, 1911.]

Mr. C. F. Angus has written for the Student Christian Movement a series of studies of "Discipleship." They emphasize the practical side of the life of the Christian, and in many a terse phrase they drive home the cynical truth that Christians have been sadly indifferent in days gone by to social well-being. Mr. Angus does not pretend to be a theologian, but it may be said that he runs perilously near to substituting his enthusiastic practical religion for the Faith which is the belief of the Christian. To burn with passion for social well-being by no means involves any re-casting of the fundamentals of the Christian religion; it only involves applying them to practice. However, the studies, a little one-sided though they are, seem to be carefully done, and they are studded with a multitude of quotations, some of them from unexpected quarters.

WORKMEN'S INSURANCE AND COMPENSATION SYSTEMS IN EUROPE. 24th Annual Report of the Commissioner of Labour (U.S.A.) Vol. II. [ix., 1255 pp. 8vo. Government Printing Office, Washington, 1911.]

Of this stout volume 200 pages are devoted to reports on the United Kingdom, 316 to Italy, 78 to Norway, 233 to Russia, 57 to Spain, and 44 to Sweden. The remainder is occupied by the text of laws relating to compensation for industrial accidents in these same countries and also in Austria, Belgium, Finland, France, Germany, Hungary, Luxemburg, the Netherlands, Switzerland, and eight British colonies.

A mine of information such as only the great Republic thinks itself rich enough to collect. In one instance painstaking care is carried to excess. The British Post Office tables of prices for annuities give the price of an annuity of £1 at each year of life, and say that larger annuities are in exact proportion. The compiler, in his anxiety to make himself intelligible to American readers, has converted all the prices into dollars, and thus, says, for example, that a man of fifty can buy "£1 (\$4.87)" for \$72.98. Surely no American wants to know what the price of \$4.87 per annum is, whereas if he were told that the price of £1 per annum is £14.99, he would know at once that the price of \$10 per annum is \$149.9, and that of \$100 per annum is \$1499.

## EDITORIAL NOTES.

**F**OUR years have elapsed since the Royal Commission appointed in 1904 to inquire into the problem of the care of the feeble-minded issued its report. Its recommendations were accepted and endorsed by the Royal Commission on the Poor Law. There seems now to be a good hope of legislation on the subject. The interest which has been aroused is wide and deep, and the problems have been fully discussed by those most competent to deal with them. No less than three Bills have been framed ; one by a Committee constituted by the Charity Organization Society ; one prepared jointly by the National Association for the After-care of the Feeble-minded and the Eugenics Education Society, introduced into Parliament by Mr. Stewart ; and one introduced on behalf of the Government by Mr. McKenna. Mr. Stewart's Bill has passed its second reading, and the Press is busy inviting the interest of public opinion. The three Bills, while differing to some extent in detail, aim at the same object and are based upon the principles laid down in the Commissioners' report of 1908. The chief principles are these. That the State should protect those whose mental deficiency makes them incapable of looking after themselves. That their claim upon the State is based on their mental condition, not on poverty. That State protection should continue so long as it ministers to the good of the protected person. That the machinery for such protection should be controlled by a local authority supervised by a central authority.

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The soundness of these principles is not likely to be denied, and it seems plain that the local authorities employed in administering the law, when it finds its place upon the Statute Book, will be the County and County Borough Councils, and that the central authority will be either the Lunacy Commissioners or some body specially created to set the Act working

and destined to be ultimately amalgamated with the Lunacy Commissioners. It will be the business of these bodies to discover all mentally defective persons unequal to taking their part in the struggle for life, and, if they are not satisfied that such persons are properly controlled and cared for in their homes, to find them shelter, protection, and occupation elsewhere. Obviously they will not be allowed to enforce control upon any individual without a proper order or certificate either from more than one medical doctor or from a Justice of the Peace, who has seen the suspected person and taken due evidence. Such regulations as these are based upon humanitarian principles. The feeble-minded both in towns and villages number many thousands, and most of them necessarily live useless and miserable lives. Incapable of sustained labour, incapable of self-control, acutely susceptible to suggestion from men of normal will-power, it is inevitable that their simplicity should be abused and that many of them should be found sooner or later among the habitual criminals. To punish them seems to many people cruel and is undeniably useless. Both those who have drifted into crime, and those who are likely to drift into crime, must be put under permanent control, if we really mean to clean up the littered *débris* of society. On this all who call themselves social reformers are likely to agree. Those who scent a danger to the sacred rights of the individual against the State are likely to be few and un-influential.

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But there is another principle underlying the remedies proposed, and it rouses the more doubt, discussion, and dislike since it is borrowed from the new and still distrusted science of Eugenics. The number of feeble-minded persons in this country is large, and, despite the fact that feeble minds are often found in feeble bodies, the number steadily increases. Nor is the increase sufficiently accounted for by appealing to the sick hurry of modern civilization. The dwellers in distant days which we call spacious doubtless thought their haste as sick. The causes are rather to be learnt from biology and sociology. Feeble-minded persons are abnormally prolific and exercise insufficient control upon their sexual instincts. Their children are numerous

and very often share their mental defects. Where both the parents are feeble-minded, the defect may be safely predicted in the children. Where only one parent is defective we may predict predisposition. Is it then true that the number of babies born mentally defective is increasing? The answer to that question is uncertain. But there can be no doubt about the increase in the number of defective adults. Nature is prodigal; and cares nothing that such children should be born, but nature's law would condemn many of them to early death. Modern society, rightly or wrongly, cannot bring itself to let that law take its course. We hold life precious in all its manifestations. Thus all the resources of medical science and of social organization are employed to save the life of sickly children whatever their mental character. The feeble-minded live to adult age with the rest and propagate their taint.

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If we would purify our stock we must excise the taint. No society could now be persuaded to destroy defective children or to forbid their careful rearing. That would be as dangerous to its welfare as it is repugnant to its feelings. Then only one course is left, to prevent feeble-minded persons either by sterilization or by detention from reproducing their defects. From the former method we rightly and naturally shrink. We have not sufficient confidence in our knowledge or our wisdom. But there is no doubt that the law will make provisions for the latter course. The control under which the feeble-minded are placed will be made strict enough to prevent their having children, and in the case of those left under private control a similar strictness will be enforced. These, however, are strong measures; and that intellectual wing of the Liberal party which flies the flag of freedom and pleads the cause of all the little poor people is making outcry. One can sympathize with the motive of such an outcry. The feeble-minded are indeed little poor people, helpless in their own defence. To seize upon them and confine them and drill them and employ them may seem the brutality of bumbledom. And it must be remembered that not very long ago the accusation of mental abnormality was frequently and successfully used for



the suppression of inconvenient lives. Such memories make many fear that the proposed legislation will revive in a new and more insidious form evils of which the nineteenth century only rid itself with difficulty, and that the new homes of detention will become a machinery of oppression.

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But such fears cling like cleavers to every proposal of social control. We can only answer that the supporters of these measures are aware of the danger, and think that the safeguards are sufficient ; while if they are not, it will be possible to strengthen them by amendments in Parliament. And, more generally, we may make this answer to the Liberal critics. When it is the big rich people who interfere with the proper development of society, these critics are most justly loud in demanding that they should be brought under social control. In such a case control infringes fewer rights than freedom. If the feeble-minded commit a crime upon society when they have children, yet it is a crime for which we can exact no penalty, since we cannot hold them morally responsible. Unable, therefore, to deter by the threat of punishment, we turn to prevention. We can prevent the calamity, on the one hand, by proper control ; and on the other, by treating as a criminal the mentally-normal man who gives children to a defective mother. He certainly deserves his punishment. So that the only question is whether the powers of control needed for these purposes are too great to put into any man's hands. And this question is difficult to answer, because of the difficulty of forecasting in detail the operation of any legislation which is marked by any novelty of principle. There can, however, be no doubt in the mind of any one who has the slightest practical familiarity with the problems of the Poor Law, that it is the imperative duty of the State to assume this responsibility, however heavy it may prove. There is no problem which presses more heavily upon Poor Law authorities, and none with which, as matters stand, they are more powerless to deal.

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The recent strike in the London tailoring trade was ill-advised and worse managed. In the first place, the work-people were

not well-organized. Out of some 50,000 Londoners engaged in the various branches of this industry, only about 5000 belong to one or other of the two chief trade unions. And, in the second place, the two unions were not in agreement as to the necessity for a conflict. The Amalgamated Society of Tailors and Tailoresses, which is a national organization with its headquarters at Manchester, refused to sanction or support the strike. It was therefore a foregone conclusion that an attempt to manufacture a general strike by the small minority of the trade in the London Society of Tailors was doomed to failure. We are far from assuming that the present conditions of the tailoring trade in London are all that could be desired. Indeed, the fact that Parliament singled out the ready-made and wholesale bespoke tailoring trade throughout the country for the experiment of a Trade Board is sufficient proof that this industry was conspicuous for the amount of "sweating" which occurred. But with the Trade Board in actual operation, and a recognized "log" for all the better class work, it was unreasonable to attempt to throw the whole trade out of gear. One of the demands put forward was particularly disingenuous. It was suggested that the employers would not provide sufficient workshop accommodation. There is, no doubt, much to be said for the abolition of all homework. But it is notorious that many tailors prefer the freedom of working at home; and the Masters' Association were able to show that out of 1936 "sittings" in indoor workshops provided by 83 firms 845 were unoccupied.

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One result of the present epidemic of strikes is to inure public opinion to the spectacle of industrial war. Even the threat of a general strike has been shorn of half of its old terrors, in spite of the efforts of the daily newspapers to create alarm. We are beginning to regard strikes and lock-outs as an ordinary method of doing business between capital and labour. It is, no doubt, a very costly, wasteful, and altogether deplorable method, but still one that, under existing circumstances, seems somehow necessary. If only the contending parties would learn to "play the game" fairly, there would be no cause for serious anxiety. The mere existence of discontent with things as they are may

nearly always be taken as a sign of progress. Still, a perpetual state of "unrest," particularly as the ultimate appeal lies with the community as a whole, is bound to produce a feeling of irritation; and every time the authority of the State is invoked we take a step towards compulsory arbitration.

If we take a broad view of the results of all strikes and lock-outs over a period of ten years, it is not easy to decide which side has gained most. The following table issued by the Board of Trade gives figures as to the nature of the various settlements.

Year.	Proportion of workpeople <i>directly</i> involved in disputes which were—			
	Settled in favour of the workpeople.	Settled in favour of the employers.	Compromised.	Indefinite or unsettled.
	Per cent.	Per cent.	Per cent.	Per cent.
1901	27·5	34·7	37·3	0·5
1902	31·8	31·8	36·1	0·3
1903	31·2	48·1	20·7	0·0
1904	27·3	41·7	30·9	0·1
1905	24·7	34·0	41·2	0·1
1906	42·5	34·5	33·0	0·0
1907	32·7	27·3	40·0	0·0
1908	8·7	25·7	65·6	0·0
1909	11·2	22·3	66·5	0·0
1910	16·3	13·6	69·5	0·6

It is difficult to say whether the higher percentage of compromises in the later years indicates an increased reasonableness or unreasonableness in the parties to the disputes. It does, however, suggest a growing tendency to resort to arbitration. On the other hand, the net effect of all changes in the rates of wages for the fifteen years 1896–1910 is an increase of £353,985 in an ordinary week's pay of the workpeople directly affected. There have been three periods of rising wages (1896–1900, 1906–7, and 1910), and two periods of falling wages (1901–5 and 1908–9). We may conclude, therefore, that on the whole this method of adjusting the relations between capital and labour has justified itself. The only regret is that more of these adjustments were not affected by voluntary methods of conciliation or arbitration.

Under the Coal Mines Minimum Wage Act, it will be remembered, District Boards were created for the purpose of fixing the minimum

rates for the various classes of underground workers in coal mines. More than half of these Boards have now finished their labours; and it is interesting, in view of past controversies, to consider their awards in connexion with the famous "5s. and 2s." minimum, and with the schedule of minimum rates for coal-getters constructed by the Miners' Federation. At the time of the strike negotiations the minima of 5s. for adult day-workers and 2s. for boys were declared to be indispensable to a settlement, while each figure in the proposed rates for coal-getters was stated to be an irreducible minimum. In putting their case before the District Boards the miners have, we believe, uniformly asked for higher minimum rates than those scheduled by the Miners' Federation, but no rate in excess of the Schedule has been conceded by the Boards. On the other hand, all the minimum rates so far fixed for coal-getters have been lower than those of the Schedule, and only in three cases out of fourteen has the 5s. minimum for day-workers been conceded. In the Forest of Dean the latter rate falls even below 4s., but the average minimum for the fourteen districts is a little over 4s. 6d. It is not surprising that the Miners' Federation has been reminding Mr. Asquith and his colleagues of the opinion to which they gave expression, while the Act was under consideration, that 5s. was not an unreasonable minimum wage, and requesting the Government to make good this "defect" in the awards. But it is one thing to admit that 5s. is not an excessive minimum wage for an able-bodied man, and quite another to consent to enforce that minimum by law.

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The minimum rates fixed for coal-getters are in general from 6d. to 9d. less than the rates proposed in the Federation's schedule. In the schedule they varied between 5s. 10d. and 7s. 6d., while in the awards the lowest figure is 5s., and the highest 6s. 9d. (for normal places) and 7s. 2d (for abnormal). A correspondent of the *Times*, to whom we owe these figures, points out that in February of this year the English Conciliation Board made the following offer: "At mines where no definite agreement, arrangement, or practice already exists for payment of wages in abnormal places, and at all new windings, the abnormal places wage rate

shall be 4s. 9d.; *plus* percentages—*i.e.* 7s. 1½d. per day at the present time, but some other figure shall be substituted for the above where special circumstances render it necessary.” They also offered a minimum for normal places of 6s. 1½d. But both these proposals were rejected. Now, however, as the result of the strike, in only four of these fourteen districts are the minimum rates equal or superior to those which could have been secured without a strike. So that it would seem that in the mines covered by this offer the gain of the strike to miners is on the average less than nothing. The coalowners, on the other hand, gain not only the amount by which their previous offer exceeds the new rates, but also, in the rules by which these rates are safeguarded, a new and powerful statutory control over their employees. No doubt considerable caution must be used in estimating the real value of the new rates; in nearly every district there are peculiar practices and circumstances to be taken into account, some of which are altered by the awards: but it does not look as if the strike had been a great success; and, in particular, it may be doubted whether the lowest paid workers have benefited to the extent that it was hoped they would. To us, the facts, if we interpret them rightly, suggest that the threat of a strike is a more powerful weapon than a strike; and that the most foolish thing labour can do, in its own interest, is to strike hastily, without first formulating with the greatest possible care its grievances and demands, and without giving the masters full time to consider these demands and make proposals for a settlement. We should not dream of charging the Miners’ Federation with such stupidity, but a great part of “Labour” still seems to be led away by the idea that a strike is a panacea. At any rate they are going the right way to learn by bitter experience that it is not.

## AMUSEMENTS.

THE economic value of the leisure of the people is becoming increasingly a subject for study. The developing minuteness of the division of labour has long been recognized, and the influence which it must have upon character has been considered by most economists. We have devoted a vast amount of study to the conditions under which this sub-divided work is performed, but we have hardly realized that the recreative amusements of the people must be important factors in rendering work efficient which, of necessity, is monotonous and brings with it but little of the training of mental faculties. We have been urged to regard the writing of the songs of the people as of more importance than the making of the laws under which they live in safety, but we have not quite seen that if the amusements of the people are unworthy we are responsible for the results which will follow. There is good reason for the belief that side by side with the reduction of the hours of work there should be a movement for the higher valuation of the remaining hours of leisure. Similarly we may add that, the more minute and monotonous the day by day toil, the more important it is for the welfare of the community that leisure should be spent so as to bring with it something of the culture of mind and heart.

Mr. Devas has a striking paragraph in his work on Political Economy. As is his wont, he is lauding the middle ages; but even if the picture be a little highly coloured it contains elements which must give occasion to serious thought.

“On the foundation (of Christianity) the true intellectual culture of the masses of the population has flourished, sometimes with and sometimes without the mechanical appliances of reading and writing; culture, namely, by the intelligence of lofty doctrines on the philosophy

of life and the mysteries of religion; culture by familiarity with beautiful literature in prose or poetry and by examples of virtue and heroism; sometimes also by acquaintance with a second language, by frequenting the performance of historical or religious plays, by enjoyment of beautiful works of art."

If we put the indoor pleasures of the masses of the population of to-day side by side with the picture which this passage indicates, we shall have good reason to blush for our later civilization. Hours are shorter, municipalities supply art galleries and libraries, education is far more widespread, and yet the indoor amusements of our population are on a far lower level. If we regard Mr. Devas as a prejudiced observer, there are others, such as Professor Ashley, who might be cited to much the same effect, though they have not given us the picture quite so definitely.

There is no reason why the hewer of wood and the drawer of water should not be a philosopher or a scientist in his moments of leisure. Thirty years ago, in Lancashire, there were colliers who had obtained high qualifications in music; and the earlier history of the London University as a mere examining body has given many instances of men in humble callings who were graduates, in some instances with high honours. But such cases must be in the minority, since the continuous application which the acquisition of definite learning involves cannot be a characteristic of the many. We have to look therefore for some leisure-occupation which will attract men and women on a wider scale, something which will widen their outlook and, in the moments which are their own individual right, give that keenness to individuality which the hum-drum of ordinary avocations is apt to destroy. So we may find that the Socialists are right in their contention that, while secure tenure may rob us of individual enterprise, the greater opportunity for the true spending of leisure may be of benefit. It is to the credit of the Socialists of the north of England that they have done much to encourage the study of economics and of literature, though there are some evidences in recent years that enthusiasm in this direction has been chilled a little.

The first objection which can be levelled against the leisure occupations of the masses of the English population is that they sever the man from his wife. The picture of the artisan's home

which is given by Mr. Reginald Bray is only too pathetically true. The woman finds that the Englishman's castle too often is her prison. The public-house of England is manifestly regarded as the haunt of the men. The women are busy at home; and even when the children are grown up and there is ample opportunity for men and women to continue in association in their social delights, the man still goes his own way. Mr. Pinero's cynical statement of the dangers of middle age in his *Mid-Channel*, though intended for a rebuke to a particular social grade, is singularly applicable to the working classes. No one who has seen the artisan and his wife, in Caen or in Paris or in Brussels, taking their little meal together at a café but must have wondered why it is that the English public-house has grown up to be such a masculine monstrosity.

The Temperance movement, in spite of all its enthusiasms, has hardly realized this fact. In some places, indeed, it has forced local by-laws to prohibit the entry of women into public-houses. Too readily we are told that the English climate forbids the gathering of men and women in the open air in the harmless way in which such gatherings take place on the Continent. The open-air café in Hyde Park is a complete answer to the statement, and there are tea-gardens in several of the industrial districts where young couples foregather and partake of innocent refreshments. But the middle-aged couple is far to seek. They have lost the sense of companionship, and the while we have been laying stress on the sacramental nature of marriage and on the permanency of the marriage tie, a practical severance has taken place in the vast bulk of working-class marriages, with dangers which are obvious. The grocers' license was an effort to encourage the habit of social life, with its concomitants, in the men's homes; but those who made themselves sponsor for the experiment had but a poor notion of the homes, and the result of their endeavours was an increased separation between men and women, the latter only too frequently falling into habits of intemperance. It may be that we are paying a big price for this fetich of English home life. It may be that we have done more by this theory than we shall ever realize for the success of the conventional public-house.

The gregarious instinct is very real, and the religion which has



brotherhood and fellowship as its very heart, as the expression of its sacramental system, must take notice of the fact. When, instead of guiding it aright, we thwart this instinct by mere prohibition, we are losing an opportunity for good which it may take years to recall. When we hold up as a pattern the man "who never goes to a public-house" instead of the public-house to which all men—and women—might go, we are displaying an amazing ignorance of the fundamentals of human nature.

Much good has been done by the Public-house Trusts, and even more good has been done by the many cafés which are now to be seen in our industrial towns. Liverpool was the pioneer in this movement. And no one who knows the inside of the better industrial life of Liverpool but is well aware of the good which the little cafés have achieved. But they are not open exactly at the time when they should be open. True there enters a question at this point as to the hours of the waitresses, but this should not be an insurmountable difficulty. At the same time it is a point which will be kept in the forefront by any one who would urge the establishment of places of innocent entertainment in the evenings, where refreshment and possibly music may be enjoyed at small cost, and with the accessories of decent refinement which mean so much to the industrial classes who would use them.

I am speaking on behalf of the middle-aged at the moment, but I would not forget the young couples. To-day we condemn the young couples to tramp the lanes and streets in order to enjoy the sacredness of tender conversation. The New York church which established "Courting Parlours" got laughed out of its enterprise, but I am not at all sure that it did not diagnose one of our social diseases. "Love unchecked is a dangerous guide," we are told, and we are not altogether insane when we urge that it is just as much for the benefit of the community to surround courtship with refinement as to encourage reading or the search for technical skill.

As a leisure occupation we cannot give much place to serious reading. True there is a splendid minority who use the free libraries wisely, and who are the purchasers of volumes of the classics which can now be bought so easily. But I am afraid that on the whole the reading of the industrial population is not

always to be commended. University Extension lectures have their devotees, school teachers for the most part. The chief reading of the majority is the evening paper. A glance at its columns shows us in what the chief interest lies. More than half of the reading matter is given to sport. This need not be condemned altogether, for it is of little use girding at the workman for his interest in betting until we have the courage of the New York State and prohibit racecourse betting altogether. But for all that, betting is a far more serious evil than we suppose, and to grasp the fact we have to stand outside a large factory or mills when the noon editions are on sale. It does seem to be a pity that our provincial evening newspapers do not venture something of the nature of the literary essay. The snaps from current periodicals are not a good mental influence, and they are all that appears by way of comment on the history of the day.

Isolated reading of a sterner kind demands initiative, and also it is in violation of the gregarious instinct which we have seen to be of great importance. Those men who have callings which bring them into contact with their fellows can hardly understand the loneliness of the worker in a factory. To the former, the loneliness of solitary reading is not felt; rather it is an advantage. To the latter, having been silent and alone throughout his working hours, having to keep all his attention on loom or lathe, some occupation is desirable which will hold his scattered faculties. Hence it comes about that the presentation of a romance in the form of a play is far more likely to attract than any number of editions of great novels, no matter how cheaply they are issued. I shall have something to say of the cinematograph presently, but it is opportune to say that one of its best claims to success has been the fact that it presents in graphic form an incident or a romance, and that the worker enjoys it on this account. The same remark applies to the illustrated newspapers. To most of us they are positively irritating in that they check the imagination which would far rather fashion the pictures for itself. But the industrial life kills the imagination. There is no power of mental construction; and once we have realized this fact we shall begin to understand what type of amusement is best likely to attract and to elevate. We decry the penny novelette, and with much

justice; but there is an art in writing this form of literature. Possibly most of the authors—and authoresses—do not know the secret of their own success; but they have learned to draw pictures of the crudest kind and the imagination of the reader is able to co-operate with them and to fashion the picture also. Those of us who wonder why it is that the subtler fiction, which is such a delight to us, does not attract the artisans, in spite of the fact that they may obtain it from their libraries, will do well to remember that the mental image of a brutal murder or of a thrilling escape from death is much more easy to conjure up in the imagination than the subtler agonies and disappointments and joys which form the fabric of the literature which is a delight to a more cultured person.

It is for this reason that I am convinced that through the medium of the stage play we shall exercise the best influence. I hope to see the establishment of little theatres, which shall be centres of social life, which shall also give the workers the needful vision of life very different from their own lives. I would claim far more for this than my readers would approve, for I am sure that it is by pictures of life that we shall inculcate respect and reverence for callings which seem to our narrow visions to be lowly. It used to be said of the theatres of thirty years ago in the industrial districts that they bred discontent. Now we have discontent without the breeding, and it is our mission to make it the “large and liberal discontent” of which William Watson wrote, rather than the discontent with gross material things which it seems to be at the present moment. In other words, we want to make it a discontent of soul and mind with themselves rather than a mere envious discontent of body. There is a real distinction between the two. It is a difference which we shall not banish by the stale device of giving social movement a bad name. Whether or not there be “Syndicalism” I do not know, but I am perfectly sure that the best of us, if condemned to live in a dark industrial town without even a vista of other lives and of other skies and of other lands, would show quite as much material discontent.

That there is some ground for hope may be seen by a consideration of the development of what I may call “religious” plays in

recent years. In 1896, when Mr. Henry Arthur Jones produced *Michael and his Lost Angel*, there was a movement in protest and it came altogether from the side of religious people. It was a strong play: it dealt with a case of sexual passion. The juxtaposition of religious services in a great cathedral with sexual temptations succeeded in producing a sense of shock and the play was withdrawn. Looking back from 1912 it is difficult to understand, but the truth is that there has been a change both in respect of the theatre and of the Churchman at large. The Churchman had seen his clergy mocked in *The Private Secretary* and other comedies. He had seen religious institutions belittled again and again. How was he suddenly to understand that the cold analysis of the subtle nearness of temptation to our highest emotions was not meant as disrespectful? So Mr. Henry Arthur Jones' play was written down a failure, because in short it was ahead of its time.

In recent years the religious motive has come to be recognized as one of the legitimate themes for dramatic representation. The beginning was Mr. Forbes Robertson's *The Passing of the Third-Floor Back*. Later we had M. Brioux' studies of fanaticism, Gerhardt Hauptmann's *Hannele*, Mrs. Dearmer's *The Soul of the World*, Mr. Adderley's *Epiphany*, and the movement culminated in *The Miracle*. Of each and all it is to be said that a religious theme was the heart of the dramatic discussion. True we had had *Everyman* and the *Bethlehem Tableaux* year after year, and they have wielded a wide and a worthy influence, but it is a far cry from *Everyman* to *The Miracle*. At the moment it seems as if the religious play were only beginning to take up its place in the sum total of English drama.

The Churchman cannot see this unmoved. He may regard the theatre from the Victorian point of view as a den of infamy, the resort of loose women and of worse men, and he may regard actors and actresses as persons who please the public in the intervals of self-indulgence. Such an attitude is too common, the result of wicked slanders which, in whispered cowardice, take away so readily the characters of those who perform. It is astonishing how ready are good men and good women to listen to these foolish stories. It is as if the religious world, timid of the



of the unholy play is *Dear Old Charlie*. One can find solid ground for welcoming *The Second Mrs. Tanqueray*, and *Mid-Channel* absolutely bristles with high ideas of marriage and of personal worth. But to see an audience—as one can see an audience in a London theatre to-day—laughing merrily at the narrow escape of an adulterer, is to set one wondering at the influence which it exercises on the minds of young people, the married people of the next generation. A certain type of French comedy fits very badly into English translations and into English traditions. The coarseness is much more prominent and the hideous sensuality creeps through the fine traceries of wit and of quip. I have seen French comedies in Paris which as acted there had far less of the ugly innuendo than they seem to have in London.

The music-halls show a wonderful improvement. The new development will enable them to stage plays, and with astonishing readiness they are meeting the new conditions. In the provinces the music-halls give rather an inane performance, “monotonous variety,” as it has been called. But in London one rarely sees positive indecencies. A group of ladies who have come to the “halls” from musical comedy have done more for the upraising of the entertainments than we suppose. The old comedienne, with her short and fluffy skirts, with her coarse jests and her coarser suggestions, has given way to clever ladies whose verses have some sparkle and whose melodies have some sense of rhythmic quality. The fact is that the music-hall is groping towards a method of the drama which will represent life as it is. The audiences have grown weary of the old melodrama and wearier of the comedian and his lady counterpart. The repertory theatres of Dublin, Manchester, Glasgow, and Liverpool are showing the way. The Irish players have tackled Irish life with a boldness which is beyond praise. They have shown its weaknesses, and such plays as *Harvest* and *The Cross-roads* have been revelations of ugly truths. Also they have exercised a considerable influence. Not yet have the English repertory theatres achieved this fine end, but they are working towards it, and I believe that the music-hall of the future will find plays ready to its hand and quite suitable to its purpose from the provincial repertory theatres ;

and if we accomplish the work which has been done in Ireland we shall make both theatre and music-halls into educative instruments for the welfare of the community.

Amateur companies, and similar enterprises, might certainly fulfil a function in this respect in places where repertory theatres are impossible. Two developments in this direction have been very interesting. The little company at Sheffield has already done much to cultivate an atmosphere which will raise the whole tone of theatrical entertainments. The country players which have given us Mr. Thomas Hardy's plays so delightfully, are revelations of the possibilities in this direction. It would be well if interested people in small towns could set about the establishment of amateur companies which would present plays such as Galsworthy's *Strife* or Moffett's *Buntz* or Haddon Chambers' *Passers by*. The present good-humoured toleration of amateur companies by audiences which condescend to put in an attendance might be removed by some definite arrangement for the periodical presentation of some of the best plays of our time. The training of the actors-for-love would be of intellectual benefit, and there is no reason why the numbers of such amateurs should not be considerably extended, so that one group might study one play the while that another group was studying another. We need little theatres in all our small towns—and suburbs—not furnished so beautifully as Miss Gertrude Kingston's, but having just sufficient accessories for the presentation of plays in a simple way, banishing once for all the idea of rivalry with the conventional theatre of the time. I would not have the great London theatres reduce their glory, but I would protest that it is not at all necessary for the provincial or suburban theatres—or even the remaining London theatres—to imitate that glory. Committees having the charge of such little theatres might deal with the finance and might employ professional assistance in the choice of plays and in that technical work which is called "production." Moreover it would afford an excellent opportunity for a censorship on the part of legitimate representatives of the very public which will be called upon to support the enterprise. To think of hundreds of little theatres giving to our people the possibility of social contact and giving them also a broader vision of life as it is and

as it was, is to fire the imagination. The moral value of such a wide movement is beyond appraise.

In spite of some obvious dangers, the cinematograph theatres seem to show the way. We see hundreds of them up and down the country, and they are especially popular in the industrial towns where our problem particularly lies. I have been either very fortunate or very unfortunate in my many visits to these places, but I have never seen the immorality which is alleged to exist. I have visited them in all sorts of towns, from Aberdeen to Dover, and have seen nothing of a positively objectionable order. True there are vulgarities, but indecencies never. Moreover, there has been a steady improvement in the tone as regards the vulgarities, and where once the crude melodramas made up the bulk of the entertainment, with a drunkard as one of the heroes, now we find even Shakespeare's plays presented; and I have seen an audience of manifestly industrial workers and their wives and children watching delightedly the unfolding of the story of Helen of Troy.

There are three characteristics of these mock theatres which deserve special attention. In all of them we find a singular proportion of middle-aged couples in the audience. At the beginning the moving photographs appealed principally to the young, and I dare say that there was some foundation in the objection that they inculcated an undue familiarity with crime. I dare say, too, that the clergy have some ground for anxiety in respect of the attendance of children at the performances. Cases of crime can be traced to them, as they can be traced to the ordinary theatre; but just as the theatres improve, so the subtlety of the moral influence is felt. So it would appear with the cinematograph. According as it discovers new channels of interest, so the crude wickedness of the earlier efforts at melodrama become stale and unprofitable. The second characteristic is that in those little theatres where there is a refreshment room there has grown up a custom of having a cup of tea or of coffee. It seems to be a simple matter, but the fact that the artisan and his wife indulge in the sociability of such a little entertainment is of importance. It takes place within an atmosphere of refinement which is itself of great value. The third characteristic is



that the performances are brief. No one seems to have realized that the hour-and-a-half entertainment has a special advantage. We hear of shortened church services and shortened sermons, but the increased attractiveness of shorter theatrical performances is a factor which has escaped us, though the experiences of the two-houses-a-night music-halls would seem to have pointed the way.

Out of it we get some guidance, however. We see that the gregarious instinct needs only opportunity, and the people will gather together. We see that the women will accompany their husbands. We learn that simple refreshments quite suffice, if there is an environment of some refinement, and that the coarser taste for strong alcoholic liquor can be checked if only minds are well occupied. Moreover we learn that tales of real life are of vital interest to the workers, and that they need not necessarily be sensational either in structure or in subject, since lowly heroisms are readily discovered and appreciated. Now we may conjecture how attractive and how powerful in influence would little theatres be where actual persons took the place of photographed poses, and where the living voice and the living gesture took their part in the depiction of emotions. Short plays, opportunities for social intercourse, refined surroundings, cheap prices, and there is yet a field for the influence of the drama far beyond our dreams in the past.

It will perform a valuable economic function. Dr. Smith's *Social Pathology* is one of the first books which appraises properly this possibility :—

“The active brain is, for the most part, the healthy brain, but it is even truer that the man or woman whose imagination and emotion are enlivened and diverted in such a way as to be able to forget toil and care by other means than intoxicants, not only has a larger life but is also fitter for parenthood. The provider of clean and cheap amusements for the people is as real a public benefactor, as the man who wishes to teach them lessons upon subjects for which they have no taste and knowledge which they can never use.”

It may seem to be an old claim. It takes us back to the days of *All Sorts and Conditions of Men* and the People's Palace. But the claim is made in a different form. It is not that the movement should be a philanthropic act, but that some one should arise who

would have the daring to prove to the world that the provision of such places of entertainment, both in the physical and the mental sense, can be made profitable.

Of course there are those among us who look rather askance at the idea that the Church should interest herself in mere amusements. Yet I have found some of our most austere parishes where religion itself comes very near to being a recreation. The clergyman who expects his people to come to church night after night may succeed in attracting thereto a handful of the very elect, but he will soon find that it is at the cost of mental development in many cases, and that he is encouraging a breed of Christians which will be anything but a "light before all men." There is some justice in the objection which is raised by Mr. Clement Rogers in his last book to the effect that the clergy lose something of their spiritual influence when they are too closely busied in the provision of recreation. Yet, on the other hand, there is this to be said for what our Dissenting brethren call the Institutional Church. It certainly does cater for the gregarious instinct. People do come to recognize the church as their meeting-place. I confess that I should like to see in every parish a committee of laymen who would set themselves to cater for the amusement and the entertainment of the people on at least one night of the week. If something of the nature of a short play, performed again and again during the evening, were the principal attraction, so much the better both for audiences and for players. I would encourage the priest to be one of the audience and to take a kindly interest in all that was in process, but no more. Certainly I think that where there is not a small committee of laymen capable of running such simple delights, the parish does not deserve to have them.

I do not think that anything better on the subject of Men's Clubs has been written than Canon Peter Green's *How to Deal with Men*. Personally, I doubt if a club ought to exist at all until we have done something for the gathering of men and women together, and especially for the gathering together of young men and young women. If we intend religion to be the inspiring influence of the future lives of the men and women of England we shall do well to give them every opportunity of making their friendships, as we

hope that they will make their marriages; with the blessing of the Church. But quite apart from the difficult question of work among men, the plain need stares us in the face for which we must provide. The Institutional Church, as we have seen it in our midst, possibly is open to the criticism that it substitutes mere enjoyment for the Church's system of worship; and yet there does not seem to be any reason why a fully equipped church, holding fast to the sacramental system, should not take every precaution to help its members towards that social fellowship which is the realization in this world of the sacramental bond. This is totally different from using enjoyments merely as means for raising money or for holding outsiders in touch with religion. It means that Christians regard the well-being of the people as including that recreation of mind which we call amusement. There is another work for Churchmen to do. I wish some of us could realize the positive duty of encouraging enterprises which tend in the direction of providing wholesome and clean recreation. The negative duty is fully realized, and Churchmen are ready enough to abstain from that which may have any small appearance of evil. There has been more than enough abstention, and the positive duty is less clearly realized. We go to the theatre and we attend local entertainments altogether in despite of the fact that many a fine work is doomed to financial disaster merely because it is a fine work. The need for encouragement at an early stage, before the merits of the attempt have become generally known, is not generally kept before us. In some American cities there is a playgoers' club which disseminates information about the new plays and other performances, indicating which are worthy of patronage. The members bind themselves to such patronage, and excellent results have been found. It becomes a sort of White List in public entertainments. I am sure that the time is ripe for some such movement in England. I trust that it will become one of the phases of the work of the C.S.U.

One subject remains and only a word can be said upon it. The social conditions under which some of the performances are given call for consideration. Much has been done of recent years, especially in the matter of child performers, but more remains to be done. Let us not forget that an immense responsibility rests

in this matter upon those Christians who set their faces against amusements of all kinds. By so doing they have taken away their influence altogether from the task of improving the social conditions under which our brethren and sisters play for our delight. Not yet have the theatres in the provinces and the music halls grown away from being the recognized haunts of the women of the town, and there are scenes even yet at pantomime times around or near the stage doors which are saddening. Of course there has been an improvement, and the conditions of the touring companies—thanks to one or two actor-managers in particular—have been vastly bettered. But if we can work towards local theatres somewhat after the pattern of Manchester, Dublin and Liverpool, with the control vested in persons of civic enthusiasm, we shall do much more for the betterment of the profession. Not only will it give our actors a wider range of experience and deepen their appreciation of character and of their art, but it will diminish the trials and the dangers of the perpetual travelling, by means of which for so many years past the provinces have been served. Consequently I think that it is not too much to look to the Christian temper in our greater provincial towns to combine to bring about a sort of repertory theatre, even if it be on a modest scale. Certainly that Christian temper can no more leave all the delights of sound and of sense unaffected by religious inspiration than John Wesley could let the devil have all the good tunes. There is no difficulty nowadays in discovering what is of good or what is of evil report. There never was a day when criticism stood at so high a level in its regard for its moral responsibility. And criticism has no focussing point, no means of exercising its influence in a practical way, other than by encouraging or discouraging the attendance of those who contribute to the treasury. With whatever eyes we view the economic and social problems of our age, two clear demands seem to be made upon us. We need to press into focus every possible moral influence which will clarify and purify the pleasures of the people; we need to remember that it is only by actual partaking in this ministry of recreation that we can fulfil our own duty of exercising such influence as may be entrusted to us.

JOHN GARRETT LEIGH,

## THE VOLUNTARY SOCIAL WORKER AND THE STATE.

IT has become a platitude to say that among no people in the world is voluntary service so readily offered as among ourselves. Whether in the service of the State or in the service of private organizations for the advancement of some special cause, hard work, self-sacrifice and no pay are conditions which, in the teeth of all economic doctrine, have been gladly endured by many thousands of men and women in these islands. Not only on its spiritual and subjective side, but also on its material and objective side, it is an asset of which any country may well be proud.

Moreover, it is not unlikely that future historians, in chronicling the first decade of the twentieth century, will single out as its prime characteristic the great awakening of social interest and sympathy which has occurred among us. This it is which has let loose an unprecedented flood of legislative measures broadly classed as Social Reform, and this it is which has so rapidly multiplied the numbers of voluntary workers along social and philanthropic paths.

Leaving on one side such older institutions as the Charity Organization Society and the fifty or sixty social settlements in our large towns, we have seen the formation of numerous Guilds of Help, of the Personal Service Association, of Apprenticeship Committees, of Children's Care Committees, School Managers, Boarding Out Committees, Distress Committees, Health Visitors and Juvenile Advisory Committees, some of these being independent private concerns, while some are established and financed by the Municipal or State authorities.

Students of social movements have at different times laid down different doctrines as to the proper sphere of the voluntary worker. Should he be regarded primarily as the adventurer in

social experiment, as the evangelist of new ideas whether on the religious, intellectual or physical plane? Certainly in our educational policy and in our policy of public relief this has often been the rôle of the volunteer. Profiting by his experience or convinced by his success, the State has, in many directions, followed in the footsteps of the voluntary pioneer, ultimately relieving him of his self-imposed task.

On the other hand there is the school of thought which regards voluntary and charitable effort as best employed, not as a restless pioneer, but in the discharge of certain permanent functions vital to our social health. Within this school, however, there is again a sharp division of opinion. The one side would enlist the volunteer freely in the service of the public authority, the other would shun the least touch of the official hand as likely to wither up all that is best in voluntary service.

Finally, there is a cleavage of opinion along wholly different lines between those who consider that it is in aiding the most meritorious and respectable of the unfortunate that the private agency is truly effective, and those who claim that the genius of voluntary effort lies in its power to reclaim those individuals who form the most intractable elements of society, who have been abandoned by all other agencies and who have drunk to the dregs the cup of human misery and vice. The tale is already a long one of those confirmed offenders against social or moral codes who have been ultimately restored to self-respect and self-management by the patient care of voluntary agencies. Probably the most successful of all have been those agencies which based their work on a religious motive, such as the Salvation Army or the Church Army. Moreover it might be argued further that our Reformatories, our Industrial schools and our Borstal system are mostly voluntary concerns with a definite religious purpose. The exponents of this branch of voluntary effort claim therefore that this method should be adopted still further in our public policy of social reform.

Considering these different spheres laid down for the operations of the volunteer, it is not difficult to see the general attitude which we should adopt. Viewing each proposal, our verdict should surely be: "This ought ye to have done and not to have left the

other undone." At all these points the co-operation of the volunteer is needed, and all along the line of social activity certain functions have appeared which can best be performed by voluntary effort. It is, of course, vital to remember that it is not always the work of the same volunteer that is needed. In each case there is call for a particular temperament, a special competence, but always with the common quality of service freely given.

In view of this diversity of current theory as to the proper application of the good-will and service of the social volunteer, and in view of the widespread practice of each theory by different bodies of people in our country, it is surely time that some of our sociological inquirers gave us a well-informed survey of the field of work in general. Moreover, we are beginning to need a careful examination of each particular branch of effort, the temperament and training required for it and the true limits within which it can be most successfully applied.

The half light thrown on these vital questions by the Reports of the Poor Law Commission, and by certain of the writings of Mr. and Mrs. Webb and of the late Mr. Kirkman Gray, has only served to arouse our curiosity and to some extent to emphasize the neglect with which we have treated the problems hitherto.

In this article, however, nothing in the shape of a comprehensive survey is contemplated; it is sufficient to suggest the want which is now perceived by many people, and then to pass on to a consideration of some of the issues affecting one important branch of social service to-day.

Some nine or ten organizations were enumerated above in which the voluntary worker finds scope for his efforts. It will be noticed that of the different groupings there mentioned the older established associations retain the characteristic of unofficial control and of complete independence of the State, while the more recent bodies take the shape of enlisting voluntary workers directly under certain public authorities. This difference marks the birth of what may be a new era in social policy in this country. Fifty years ago social workers would have indignantly refused to give their services to public bodies in this way. To them all official action was to some extent suspect, but to-day this suspicion has somewhat abated. It has become recognized

that there are certain social problems which will yield only to comprehensive treatment such as the public authority can give, and it is in harmony with this view that the State has definitely entered the field of social reform. Accordingly, we have to-day a new outlet for voluntary activity which, whether in the service of the Public Health, of the Poor Law, of the Juvenile Labour Exchanges, or of the Education authorities, may, in the future, prove a social force of immeasurable power. Under the Poor Law we have a considerable expansion of Boarding Out Committees, of volunteers whose function it is to watch over the interests of State children placed in the care of foster parents. The Committees, previously confined to the care of children boarded out far from the Unions to which they were chargeable, have now, by a recent Local Government Board Order, also been permitted in regard to cases of boarding out within the union. Ultimately it is not too much to hope that their beneficent services may even be extended to those 180,000 children who are living with parents on Out-relief.

In the case of the Juvenile Labour Exchanges, the principle is the same, though the actual functions asked of the voluntary worker are different. Here it is with a view to exercising some check upon the employment entered into by boys and girls on leaving school that the Advisory Committees of volunteers are being set up by the Board of Trade in various parts of the country.

It will be remarked that, in all these cases and in the case of the health visitors enlisted by the Public Health authority, the work asked of the volunteer has an educational aspect. Probably it is in this respect that the shortcomings of direct official action are being realized. Consequently it is not surprising to find that it is within the sphere of the elementary school that by far the most significant example of co-operation between the State and the voluntary worker has made its timely appearance.

For seventy years the elementary school has provided a point of contact, and not infrequently a point of friction between the forces of officialism and voluntarism. Commencing as one of many contributors to the funds of voluntary educational enterprise, the State itself was at length, in 1870, constrained to step



into the field as a provider of education, at first only as supplementing, but latterly, also, as supplanting the non-official enterprises. Finally, we have seen in many directions since 1900 the reversal of the position of 1833. Then the voluntary bodies enlisted the occasional aid of the State in the cause of education ; to-day the public authorities are enlisting in thousands voluntary workers who will assist in the discharge of social and educational responsibilities now definitely undertaken by the State.

Perhaps the most interesting and most extensive form which this development has taken has been in the formation by many large Education authorities of Children's Care Committees in connexion with the Elementary Schools. In London, an appeal was issued by the L.C.C. in 1908 for no less than 7000 volunteers to staff these Committees in every elementary school within their area. Such a demand was on a wholly unprecedented scale, but it was a demand which the abundant good-will of the community seemed quite disposed to meet, for within two years an army of about 5000 men and women was actually enrolled. The functions which these Committees were called upon to perform have gradually been extended into three main branches of work. First, there is the selection of necessitous children who are regarded as unable to profit by their education by reason of underfeeding. This, at any rate, is the theoretical basis of selection for school dinners laid down by Act of Parliament.

Secondly, the Committees are invited to play an essential part in the care of the health of the children by following up the recommendations of the school doctor and by enlisting the intelligent co-operation of parents. As there are frequently over 1000 children in the three departments of one school among whom 30 per cent. suffer from chronic ailments, the task is no light one. Not only are the Care Committees charged to search out what are known as "*County Council diseases*," that is, diseases affecting ears, throat or eyes, for the treatment of which the L.C.C. itself makes provision, but they can do even more useful service in promoting the treatment of diseases, such as lung complaints, heart trouble, etc., of which the State takes no account. They serve, in effect, as health visitors for the school to which they are attached.

The last of the three-fold functions which these 5000 State

volunteers perform, but by no means the least, is the friendly guidance of boys and girls through that treacherous uncharted country which awaits them when they leave the elementary school. By bringing home to parents the dangers of the casual "prospect-less" occupations, by urging them to have an eye to a boy's educational needs rather than to the tempting glitter of the high initial wage, much can be done by the friendly visitor which would be impossible to the public official. Further than this the Care Committees are establishing a fruitful connexion between the schools, the various apprenticeship associations and the new juvenile labour exchanges. Finally, when the right job is found, they can arrange for such a measure of friendly supervision during the next two or three years as will go far towards bridging the gulf which, in the past, has yawned between school and workshop.

This is but a brief outline of the activities of the new voluntary army that has been introduced into the schools to work on the children's behalf, but enough has been said to show how wide this particular sphere of usefulness has grown during recent years.

The example set by London has been followed, with local variations, by a large proportion of Education authorities in all parts of the kingdom. That no figures are available as to the existence of these Care Committees must be laid to the charge of the Board of Education, which has not yet realized the full import of this new national movement. In England alone, there must be over 1500 such Committees working either in individual schools or in groups of schools.

The experiment has been a daring one. What has induced the public authority to make it? They could always have ensured greater uniformity, more mechanical efficiency and a smoother working routine by handing over the tasks to their own paid officials.

Why should the enrolment of this voluntary army have promised the authorities a more successful issue to their efforts than the reliance upon their own officers?

Surely the reason lies in the nature of the social betterment that the State has now set itself to promote. We are attempting

to promote an improvement in the standard of living among the poor, not only in general ways, but in the intimate details of personal life. But already we are finding that a fatal defect attaches to all official action in this sphere, so long as reliance is placed upon the direct control of the individual by the State official. That contact, so far from being "the touch that heals," is appearing rather as an actual bar to success. The official himself is placed under a combination of influences which, sooner or later, renders him unfitted for personal dealings with an endless variety of individuals. He is bound to become in time a creature of regulations. He pigeon-holes his cases according to arbitrary classifications, and looks only for the characteristics which are his special concern. These, indeed, are no new attributes recently discovered in the official. They are the age-long defects which are almost inseparable from the administration of public machinery. The difficulty lies rather in the recent application of this public machinery to problems which emphasize its defects to an unusual degree. Any attempt by the community to implant an improved habit of life upon the poor by means of direct official supervision tends to produce greater evils than it cures. It may effect the single change which it set out to enforce, but it only effects it at the cost of future progress, education and self-development on the part of the improved individuals. What we have to learn is that excessive official control of the average working class family will fail not so much because it pauperizes them as because it victimizes them. So far from regarding themselves as the beneficiaries of a generous public authority, they come actively to oppose the improvement imposed upon them and to look upon themselves as the victims of a harsh social arrangement.

So much for the defects of official action in these regions of educational effort. In what way does the enlistment of voluntary help provide a solution of the problem? In the first place it must be admitted that at the present time no completely satisfactory conditions of life are possible without a considerable increase of purchasing power among the classes whose condition most requires improvement. Pending this event, however, it is claimed that a fair beginning can be made by the enthusiastic and loyal co-operation of volunteers and public bodies. In the School

Care Committees and school managers, the voluntary contingent acts as a buffer between the clumsy official machine and the poor home. The friendly visitor, with a status in the school and a knowledge of the child's home, is able to see character and environment in proper perspective. Thus he or she can adjust treatment more nicely to individual requirements. Moreover the volunteer can often effect the desired improvement without leaving behind that sense of vague resentment which the hurried visit of a brusque official so often produces.

It should be noticed too that the work of a School Care Committee will not necessarily be confined to meeting the difficulties and needs of children of School age only. The Board of Education itself has lent recent encouragement to the notion that such a Committee might well be connected up with the local health authority and its voluntary health visitors. In this way a long step in advance might be taken towards remedying during infancy the incipient ills which may develop into serious defects if left until they are detected by the School Medical Inspection at five years of age or later.

In the case of schools, however, a vista of further opportunity opens up to the educational volunteer. Perhaps one of the most disappointing features of our forty years of elementary education is the unbridged gulf which has been fixed between school and home. On the scholastic side all sense of parental control of education has vanished. In many cases a mother has never entered the elementary school during the school hours throughout the whole eight years of her child's attendance. "Open days" are a modern and sporadic invention which should be carried much further in the future. More than half of our London school children never carry home a report on their year's work, and the relations between school authorities and parents too often are confined to reprisals and angry recriminations. That these are largely the results of mechanicalization and officialism in education need not be emphasized here: the point is, rather, to urge that the same evils should not be incurred in the new fields of effort now entered by the authorities in regard to the social and physical welfare of school children. Already one unforeseen and happy result of the establishment of Care Committees in our

schools has been to bring school and home somewhat closer together. The physical side of education for which they are chiefly concerned can only be effectively conducted in the homes by the parents themselves, and thus the co-operation of school and home is an essential part of their programme. Could some means be found of rendering to the schools the same valuable service on the scholastic side, would not the result be wholly good? Sheer compulsion has served its turn; ought we not now rather to encourage that quality of enthusiastic co-operation without which any Education is but a poor thing?

It must be admitted that so far we have depicted only the rosy side of the picture. The voluntary school worker knows that there is a reverse side to the same, and is aware that there are at times storm clouds which even threaten his continued service of the Education authority. In the first place, there are those to whom the elaboration of public machinery in every sphere of human activity is an end in itself; to such, the intervention of outside volunteers is little short of an offence. They send up a bitter complaint of amateurish work, of the absence of smooth routine, of the lack of uniformity from place to place and time to time. Doubtless such arguments make a strong appeal to the elected authority and they are reinforced by other no less moving considerations.

It is naturally irksome to the authorities, whether state or municipal, to be compelled to take into account the susceptibilities of the volunteer whenever points of administration arise. Moreover the tongues of the voluntary workers cannot be tied as can those of officials, and their criticism is liable to be the more searching by reason of their advantageous position for ascertaining facts. Faced with these difficulties there is a strong temptation to diminish the sphere of action and the degree of liberty allotted to the volunteer, and to substitute the paid official in his place. Smoothness of working, efficient routine, and, not least, its own peace of mind, are all inducements to the elected authority to disband the troublesome voluntary contingent. But enough has already been said against so unwise a step and so impotent a conclusion to the experiment. Public bodies must realize that the volunteer is an asset of unique value to them if they are to be

successful in their rôle of social reformers. The one side must not ask for a machine-like observance of minute rules, and, if a more complex clerical routine is necessary, then the paid assistance to perform it must be forthcoming. On the other side, the volunteer must be ready to render loyal service and must submit to some measure of self-preparation for his task.

In conclusion, looking round at the considerations, both particular and universal, which are affecting voluntary social effort to-day, we see that three main points demand our attention.

First, it seems that certain departments of social reform require for their success that an increasing measure of voluntary effort shall be at the disposal of the public authorities.

Secondly, it has been seen that the good-will of the community will respond in an altogether remarkable degree to the call of the State for voluntary social workers.

Thirdly, there are indications that the new movement has many pitfalls before it. The present is its time of trial, and the next few years will decide its fate, perhaps also the fate of a new era in social policy.

Our social philosophers, who are the medical advisers of the body politic, frequently cry out that only a change of heart can remedy the ills of the latter-day state. May it not be that under their very eyes there is already the beginning of a movement which is capable of compassing that change? From being, as too often it is, the privilege of the leisured among the middle classes, why should not this spirit of good-will spread wider and deeper until at length the whole of Society is transfigured by a new ideal of voluntary service for the common good?

RONALD C. DAVISON.

## OLD-TIME SOLUTIONS OF THE FISCAL PROBLEM.

MUCH study is a weariness of the flesh, wrote the wise king, possibly when he was calculating the balance of trade over the first instance of an agricultural country exchanging its produce for manufactures and skilled labour, such as occurred when Hiram, king of Tyre, helped to build Solomon's temple. These calculations almost defy human wisdom; when they are carried to perfection, they result in the commerce of a country finding some thousands of restrictions, till the minister is inundated by proposals to tax something that has been forgotten from great coats to silk hats; and his efforts meet with the substantially same reward as that which came to Lord Goschen, when instead of gratitude for his wish to have a free afternoon tea table, he received a postcard with "Damn your tea and currants." Mr. Gladstone, in lamenting the difficulties of the Chancellor of the Exchequer, said the income tax might possibly be abolished in happier times by a more fortunate successor, of whom it might be said that, though not by the same means as Lady Godiva:—

"He took away the tax,  
And built himself an everlasting name."

All this weariness, these speculations were avoided by the ancients. No Assyrian humourist, close as is the parallel between their world and ours, with their geographies all names, and their reading books adapted for boys in the Accadian tongue, could have satirized the fiscal system of his day as did Sydney Smith. The baby cutting its teeth on taxed coral; the schoolboy whipping the taxed top on the taxed road, and in manhood riding with a taxed bridle on a taxed saddle on a taxed horse. In illness taking medicine that has paid twenty per cent. out of a spoon that has paid fifty per cent. from the hand of an apothecary who has paid

a hundred pounds for a license to attend him. He passes away in a bed that is taxed ; his property is immediately taxed from ten to twenty per cent. ; his virtues are commemorated on taxed marble and he is gathered to his fathers to be taxed no more. It needs a modern civilization to be content with this state of things. The ignorant impatience of taxation which once distinguished the English, and which made the excise hateful was rampant in ancient communities. The taxgatherers of Rehoboam fared badly after the cry of "To your tents, O Israel." The Romans spoke contemptuously of the Carthaginians as these payers of tithe and tribute. An ancient monarch's ministers were not defeated in parliament on such a simple question as taxing necessities ; the kingdom itself was likely to be subverted ; but still, as there was a factory system even in the extreme of the then known world, and Babylon furnished such toys as carved walking-sticks and scent bottles, the balance of trade was of great import. They could make sure that tolls were not imposed, and crush the attempt to do so in the Persian Gulf, just as Rhodes could resist the attempt of Byzantium to tax shipping passing into the Black Sea. Still they wanted to do more to form a union of hearts.

Tolls are, after all, a crude method, except in the hands of statisticians. To the ordinary mind, bimetallism and the fiscal problem are like metaphysics ; one man talking of what he does not understand to another man who does not understand him. What is really comprehended is a monopoly of trade. This is the real, satisfactory solution of the fiscal problem to the average man ; and so there arise trusts and corners, the first of them being the granaries of Joseph in Egypt. The power of the king of the time must have been exceptionally great to carry this plan to a successful conclusion. Naturally, too, it is the foreign trade that is wanted ; and from the earliest times the directors of commerce, both great and small, have puzzled their heads as to how they could secure, if not all of it, which is of course the great object of a true patriot, then at least the lion's share.

The ideal, which circumstances will not now allow to be realized, is to have no competitors, to find the trade routes by seas unexplored by any other sail, and to have a market with honest



natives, who come when a fire gives the signal, and barter things of great price for something of infinitesimal value in the home emporiums. The Africans to the Phœnician, the Esquimaux to the Elizabethan mariner, put the sweet simplicity of the unspoiled child of nature in its pleasantest light. Human nature, though expelled by the fork of competition, yet comes out again in the collector, affecting an air of indifference when he comes across the unwary possessor of old china. Such a one would have been in his element as a Phœnician. He had to the west the natural protection—does not Cobden call it?—of the whole of the Mediterranean; in his rear was the Persian Gulf, from which his legends told him he had come, and behind him also were manufacturing peoples; by land and sea his country was the *entrepôt* of the world of his time.

In what way, in what possible way could a situation as advantageous as this be preserved without change for the worse? Broadly, the only solution was control of the roads; and commerce going mostly by sea, this means largely monopoly of the sea roads. The best and most perfect way is to have no rivals at all, but this has never been possible for long; and therefore there remain four alternative policies. All of them are so simple that at a glance it is apparent how the advance of time alone and the wearing out of the older and more effective methods obliged the more modern statesman, once having known them, to decline on a lower range of patriotism, and a narrower line of exclusion. These four policies are to conceal the roads of commerce, and when possible rivals get an inkling of them, to make out that the game is not worth the candle, that the dangers are immense while the profits are disappointing. When both these plans have failed, the attempt may be made to divert the course of trade, or to discover a fresh road that no one else knows, and so regain a monopoly or wrest it from others; and of course mingled with these at all times, as an unfailing resource, is the suppression of competition by force.

The use of force may be uncloaked by any reference to an ethical standard, but in most cases it is made more effective by claiming the sanction of law, and in as many as possible of religion. Unfortunately for clearness and brevity, the world cannot be

divided into epochs in which one or other of these policies alone held the field. The nomadic hunter, the shepherd, the agriculturist, and the manufacturer all exist at a given time, and not so far off from one another ; and what adds to the confusion is a doubling of one or two of the professions by the same exponent. Manufacture may go on, with a considerable output, where no one would expect it ; and even in the flint age natural advantages make a particular place a factory for less favoured districts, such as converted Cissbury on the South Downs in Neolithic times into a "siliceous Sheffield." So the merchant may also be a pirate, an explorer, an upholder of his country's flag, and an artist skilled in depicting the dangers of the deep or in adding a touch to nature, a crusader or an expert in tariffs, but through it all he remains a merchant. Whatever the individual feeling, and however great and real the varied motives that animated men in commercial rivalry, the main end was the balance of trade.

The voyage of the Argonauts, which commended itself to such good judges of sea matters as the Rhodians, seems to combine in one a good many of the methods of commercial progress. In the earliest period of commerce, there were two maritime regions of enormous importance. These waters in the east and west flanked the inner Mediterranean, where the ancient empires and the growing Greek world had already staked out their claims, not for posterity but for themselves. On the one side in the Black Sea there was the golden fleece, symbolic either of the vast wealth to be obtained from wool, which made it in mediæval England the sovereign treasure of the realm ; or of all the wealth which rendered Venice and Genoa eager to have a share in the trade of Constantinople, and to hold ports on the shores of the inner sea. On the other side beyond the Sicilian Straits there lay to the south the shores of Africa, west of the Syrtes, with the valuable products such as ivory and gold dust, which later came by caravans to Egypt, and a simple folk whom Herodotus pictures bartering on the shore. There was also the mineral wealth of Spain when bright iron was carried in the ships, with brass, which was almost as precious as gold, and the tin which, in the ancient world, was almost priceless, coming from a source long hidden,

since when it was mixed with copper, it became hardened into bronze. Now the owner of the bronze axe could clear his land more easily, while the bronze sword gave victory to its holder.

What was the great maritime region in which this happened ; and how far was it known to the Greeks of Homer ? What was the monopoly of the Phœnicians ; how was it defended ; and how were the Greeks disputing it ? At first no doubt the roads to either region were concealed ; but when the news leaked out, it was sought still to keep the monopoly by something like the taboo of the South Sea islanders. In some way it was conveyed to the Greeks that crowds of dangerous birds were on the shores of the Black Sea, that there were wild tribes, that the course was unknown. If Homer founded his *Odyssey* on the chart of a Phœnician pilot, a very common ruse had been adopted, such as generals make use of, when they let misleading despatches fall into the hands of the enemy. Professor Freeman doubts if *Odysseus* ever saw Sicily, though the *Sikels* enter into the poem. It took five days only from Crete to Egypt, and it was known that the Phœnicians traded with Egypt.

The archipelago, with the periodical winds blowing from the Hellespont to Crete, was a connected whole ; here the Phœnician monopoly was being broken up, and it was all the more necessary to keep as a preserve the other waters where people had not learnt to manufacture for themselves. Ithaca stood as the furthest Greek outpost towards the west ; it lay towards the dark and the dusk, while *Dulichium* and *Samos* were towards the east and the sun. The Greeks with their land turned towards Asia naturally sought commerce there before they made their way to Sicily and Italy. Both ways there were rumours of circumnavigation being possible. To Alexander, to the Saracens even, centuries after the Christian era, it seemed possible that there might be a connexion between the Black Sea and the Caspian ; and the latter was thought to be a gulf of the Great Sea, of which the Indian Sea was part. The Saracens reported that a ship of India was found drifting in the eastern Mediterranean.

The shipmen who have got the trade already know that no new roads will be found, for they have explored everywhere ;

and when concealment of the roads that really exist is no longer possible, the monopolists' hope is that terror will guard them. At the entrance to the Bosphorus, the east was to be fenced off by the clashing rocks; in the Straits of Messina in the west there were Scylla and Charybdis; they neglected the south of Sicily, where the passage was barred by dangerous navigation, and it would be all the better for their purpose if the Greeks took it; in both there was the haunting dread of the extremity of the ocean and beyond it darkness.

The terror cannot last for ever; the course that empire takes always disturbs in time this monopoly depending on fear of the supernatural. There were advances in navigation; the Greeks used Phœnician ships as their models, just as later on the Romans copied the Carthaginian triremes. Steering, learnt by the stars as it was afterwards by the compass, helped Greeks and Portuguese to face unknown waters. In finding the new road, the beginning and end of the journey is known, and the intervening space must be learnt from local pilots as Vasco da Gama was directed; and the sons of Phrixus help Jason, as Pedro da Covilham and his comrade gain news of the eastern side of the Cape of Good Hope.

What is the process of the discovery of the new roads? The similarity is extraordinary in all instances. The enterprise is national, and in the nature of a crusade.

Jason starts under the auspices of the gods of Greece; he is the first crusader of the waters. Later tradition makes him hope for guidance from Apollo, who in the historic Greek world became the director-general of colonization. His departure from Pagasæ was like that of Columbus and Vasco da Gama from the chapel of Belem and the port of Palos. To the later adventurers the priests of their faith, to Jason the priestess of Artemis wishes god-speed. All have the same fears of never returning; the sailors of Prince Henry, who think they have come to the extremity of the ocean; the companions of Columbus, whom he dare not let know how far they have come; the Argonauts, who ask how shall they come again over so wide a path of sea. All carried the fortunes of the land they set out from; to the companions of Jason the fate of Hellas hung on their exploit. In

the century of discovery the circumnavigation is accomplished by Magellan; the Argo's legend makes it return by the rivers of Europe into the western Mediterranean. The dream is not so wild a one, since a crew of northmen came down the rivers of Russia, seized a ship and returned by the Atlantic.

To us the words of Columbus seem at first metaphorical when he keeps on speaking of the secrets of the ocean and of the ocean's bars, which he unlocked. But in the light of the history of geographical discovery it turns out to be plain prose. The ocean had bonds to him as to Seneca, which confined men within the known waters; and when the secret of its roads were discovered by some, they were kept as long as possible from the rest of the world. In Roman times, a Carthaginian captain was compensated by his senate for running his ship aground rather than show the way to a vessel that was on his track. Yet in time the secrets had to leak out, though so well they were kept that it is still uncertain where was the depôt for the tin of Britain.

It is always difficult to keep a secret; but, in the case of the maritime roads, there were necessarily thousands of men employed, who were likely to drift into another service, just as foreigners to-day qualify as English pilots.

Phœnicians were in the service of Solomon, Pharaoh, Cambyses, and Macedon. Men of the Greek republics served Alexander when he tried to circumnavigate the world, just as pilots of the Italian maritime cities went to England, France, Spain, and Portugal. Magellan left the employ of Portugal and showed the king of Spain a new way to the spice islands. Linschoten, going to the east with a Portuguese prelate, brought back the sea charts of the Indies to the Dutch. If he had not been able to accomplish this, it would have been done through the medium of some of the foreign merchants settled in Spain. There was a belief that the king of Spain was concealing the fact that a strait had been discovered through America from the Atlantic to the Pacific. The existence of a passage from one ocean to another through a continent seemed certain from the many straits of the old world. Raleigh, in his account of his voyage to Guiana, is positive that he has been successful in keeping even from his comrades the

way to the hoped-for Eldorado. The secrets of the ocean were the secrets of commerce, and were jealously preserved, but in time like other commercial secrets they got known to all the competing peoples.

When commercial rivals have found out enough to make a sea-chart, when they have braved the real or fancied perils of the waters unknown to them, the monopolists can still have recourse to the Diversion of Trade Routes, though this is a game at which two can play.

Solomon built Palmyra and Tadmor to tap the caravan trade, and sent his ships to Tarshish, like Egypt with its expeditions to the land of Punt, dispensing with intermediaries on the Red Sea. The result in incense and gold was sufficient to make silver nothing accounted of in Solomon's days, and to call for special record in the temple of Amon. All attempts at diverting trade to a new road were not successful. It was quite beyond the capacity of the earliest maritime powers to link up the road leading to the wealth of Africa and Arabia with the western Mediterranean.

When monopoly is no longer possible, when the older roads can be no longer concealed, or rivals frightened off, then force, which has of course been used from time to time, becomes the sole controlling factor.

The trade routes through Gaul and the source of the tin supply were in time discovered, and the jealousy of the Gallic merchants who would tell Cæsar nothing about the ports of Britain—a parallel to the refusal of the Phœnicians to follow Cambyses against Carthage—failed to keep the Romans back; so that Tacitus declared that distance and secrecy no longer protected the farthest north, since a centurion of Agricola had gone round Scotland. Then, for that period, all the roads of commerce for the time were known; and there was really nothing left for monopolists to do, but to destroy a rival *entrepôt*. The pretext for the Trojan war may have been the carrying off of women, but Thucydides gives the real reason in the possession by Greece of a powerful navy, and a determination to crush the city commanding the trade of the Black Sea. Athens felt a like call to quarrel with Ægina, the first city in Greece to coin money, much as Rome destroyed Carthage; and there the similarity with

Troy was so complete that Scipio repeated over the burning city the lines of Homer about the fall of the earlier rival :—

“The time shall come when sacred Troy shall perish,  
And Priam and his people shall be slain.”

In the absence of an easier alternative trade, rivals had to be crushed by force. Carthage had forbidden Rome to go beyond the Lacinian promontory ; Rome, when its turn came, ordered Carthage not to cross the Ebro. Virgil saw in their rivalry a continuation of the struggle in the eastern Mediterranean ; history repeating, in the forcible holding of the straits, the legendary closing of the Bosphorus and the Sicilian strait by imaginary terrors against commercial rivals. This appeal to the arbitrament of war to solve the fiscal problem explains there being no horror of piracy either in Homer or later. The strong thief of the waters was doing his country service by preying on the enemy's commerce. It was the profitable employment of idle military capital, invested in ships and men, and was as popular as the English wars in France when boys went to span counter for French crowns. To go on viking cruises was an honourable profession, and only ceased to be so when Christianity forbade it, and when the adjacent countries would stand it no longer. So that Pharaoh, Rhodes, Rome, and the English kings alike put down the practice as a contempt of their sovereignty of the seas, though it was not so much horror of the enormity of robbery on the seas, as the feeling that with the growth of trade it was a defiance of economic principles. Edward III., who made himself the Avenger of Merchants against Spanish pirates in the Channel, was ready, as his *Vow of the Heron* shows, for any atrocity ; but he objected to piracy on the English seas, just as he objected to the slaughter by the Welsh at Crecy of French earls, barons, knights and squires, not as a piece of cruelty, but as an economic outrage, since their ransoms were lost in this way. Pirates were the foremost of the Armada heroes, waiting for the plate fleets, sacking the treasure cities ; and as late as the seventeenth century, Professor Thorold Rogers gives an instance of a buccaneer recounting his deeds in the later character of a bishop.

It is recognized now that the crusades were fought a great

deal for trade ; what is not so well known is that wars for empire and commerce were always considered partly as crusades, just as the victors in modern war, if Christians, sing *Te Deum*. But when all the sea-roads were discovered as far as they could be, there was nothing but war ; and we come to the viking cruises and the crusades. Before the Saracens were miscreants to Europe and knights fought for the Holy Sepulchre there was the same enthusiasm. The gods of the old world were partners in the victory of each country. The statue of Apollo, chained to that of the Tyrian Melkarth, was thought by the Greeks to have delivered Tyre into their hands. Alexander sent back to Greece the statues of the gods taken by Xerxes. In the struggle of the Heptarchic kingdoms, as of the Franks against the Saxons, and in the conversion of the Prussians, the newer faith triumphs by force of arms. The viking attacks on the south may have been an anti-crusade against Christianity, hurled back finally in 1014 A.D. by the victory of Brian at Clontarf in Ireland. The proclamation of the annexation of Egypt would not be received with more enthusiasm at the present time than was the news when Godfrey de Bouillon became ruler of Jerusalem and parcelled out fiefs, with the ultimate hope of getting hold of Egypt. Venice, Genoa and Pisa all profited by the zeal against the Moslem ; the Italian cities had streets in the Syrian towns. As a sort of work of supererogation, the crusaders took Constantinople and made Venice lord of three-eighths of Roumania. As the Great Twin Brethren fought for Rome, so Saint James was seen fighting for the Spaniards. The Inquisition was a national defence against the Moors, and later an office for punishing the English who defied the Pope's bull by trading and plundering in South America. The heathen of Africa in the past deprecated the appearance of the missionary, knowing he would be followed by the trader and soldier ; the dove, they complained, preceded the sparrow-hawk and the eagle. To protect the Christians in the East and exact compensation for slaughtered missionaries has been found most profitable by European Powers.

That history is subject to laws is proved by the same causes producing the same effects at widely different periods of time.

Once more in the history of the fiscal problem there was to be



an opportunity on a great scale of breaking up a monopoly. Venice having got the better of Genoa, the latter republic made an attempt at the diversion of the spice trade, and explored in the Atlantic, getting as far as Senegal. But with the development of the power of Portugal and Spain, and with the prospect of the old caravan roads being cut up by the Turks, an attempt was made, with far greater resources to back it up, to find a new road to the treasures of the East. Again the old terrors crop up, whether fostered or not by the monopolists we do not know. Ptolemy had thought the Indian Ocean landlocked, and this so impressed the Portuguese when nearing the Cape of Good Hope that a special mission was sent to the east to ascertain if there was a passage. Pomponius Mela placed a burning zone between Europe and the Antipodes, and on one of his voyages Columbus dreaded that he, his sailors and his ships would be consumed by the heat. In time the terrors were discounted, and the new roads found ; and then the old solutions of the fiscal problems that had been put in force in the opening to commerce of the Inland Sea were revived in the oceans ; terror, concealment of trade routes, diversion of trade routes, monopoly by force, and the sentiment of a crusade against the heretics of the sea. Having found a new road, it was not to be used by everybody ; morality and religion alike forbade it. The Venetians, the Arabs, and the Turks by this time in Egypt, and so commanding all the caravan routes, as they possessed Constantinople, resisted by force. The king of Portugal being triumphant, and one of his captains having burnt a shipful of Arab pilgrims, declared himself Lord of the Commerce and Navigation of Ethiopia and the Indies ; and would, if his people had known it in time, have prevented Magellan's ship from returning to Spain with the news of another route to the Spice Islands.

As men appealed to Delphi at one time, so they turned to the Pope at another. But commerce laughs at prior rights of discovery, and the decisions of courts, much as pirates and smugglers do.

Both Portugal and Spain got their rights confirmed by the Pope, and after the Portuguese were blown upon Brazil, an occurrence sure to happen, when as in the voyage of Vasco da

Gama they made a wide sweep into the Atlantic, instead of skirting the western coast of Africa, the line of demarcation was slightly altered. Hitherto there had been no such opportunity for monopoly since the Phœnicians first claimed the unknown waters of the Mediterranean. The Pope had shown himself ready enough to give away anything: England to Normandy; Ireland to England; at one time stretching his jurisdiction to Scotland; at another dressing alternately in the habit of a pontiff and a lay emperor. Had it been feasible, he would no doubt have apportioned the commerce of the mediæval world, as well as the kingdoms thereof, among his supporters, but till the century of discoveries there was no opportunity. In the eastern Mediterranean it was not reasonable to expect either the adherents of the Greek Church or the Moslems to obey him. In the demeanour of the Italian mediæval sea-cities, there was already a premonition of the time when "maritime heretics" would be held in abhorrence; Venice especially was recalcitrant, declaring its preference, if any, for Byzantium. But with the discovery of the roads to the Atlantic the Pope had really a scope for his powers, never granted him before, in waters which were not common to mankind; and he showed he knew how to use it. A modern boundary commission examines witnesses and hears evidence, asks possibly as to the rights of intervening nations. The Pope dispensed with all this. He merely required a map, a pen and ink, and conjecturally a ruler. Placing a mark in the Atlantic a hundred leagues west of the Azores, he drew through it a line from the pole Arctic to the pole Antarctic, and settled the business of the nations of north Europe. It has not occurred to historians of the Reformation to inquire how England, Holland, and France received the news. So misleading is history written from one point of view, that religion cannot be adequately understood while neglecting geographical discovery and its results in commerce. In the time of Edward IV., the grant was acknowledged; in the days of Elizabeth the complaints of Spain about interlopers brought the reply that they demurred to the jurisdiction. What England and Holland would have done, if they had remained Catholic, is a problem. On the one side the Indies, on the other the Pope's bull; perhaps their solution was to turn Protestant.

It is this view of the case, when England having disposed of the monopolist, whom it styled the bloody Spaniard, enables us to understand how it turned on Holland with equal enthusiasm, though a sister Protestant Power.

For a time the North did nothing to assert its rights ; but, given no other of the old-time solutions, war must ensue. Sir Walter Raleigh remarks that the great charter of the earth in the days of Adam being brief in words as broad in effect has begotten much trouble of interpretation. Unable to find roads to the Indies by the north-east and the north-west, the continents, as Bacon noticed, broadening in the north, instead of tapering as they did in the south ; and disappointed, in spite of finding the way to Russia as the Northmen had done by the White Sea, in discovering countries where their heavy woollen goods would be appreciated, they cast the Pope's bull to the winds, and took the roads to the south-east or south-west ; the Dutch courteously trying to avoid giving trouble and going further south, came on Australia. England, beginning its first manufacturing period, that is, manufacturing for itself, entered on the path of economic theory. Burleigh calculated the balance of trade, and it is said made use of Roman numerals. The authors of this statement suggest that to multiply the date of the present year by itself in Roman figures will suffice for an appreciation of the complexity of the process. The subject is a misty one even to the authorities of to-day, fortified as they are by Arabic notation. But England came back to the old methods, when it was found there were no roads to north and south. The buccaneers set forth, men of the highest daring and respectability, and of a courage and nautical skill great enough to repel Spain's frantic attempt to send an invincible fleet to put a stop to exploiting her discoveries. Then followed the twenty-three months' war with the Dutch, which did them more harm than all their wars by land ; the Navigation Act, and at last the Dutch were driven to such straits that they tried to escape the English guard on the key to the Atlantic by going round Scotland. The English sung the geographical situation when James was Lord High Admiral :—

“ While his tall ships in the barred Channel stand,  
He holds the Indies in his armed hand.”

All manufacturing countries have found the necessity of importing food. Judah traded in Phœnician markets with wheat; Athenian merchants took their ships through the Ægean, the Euxine and the Sicilian seas, carrying corn wherever it was the highest price. The Dutch got their provisions from the Baltic; and the West Indian Islands, preferring to cultivate sugar, from the American coast. It would take too long to give even a few of the numerous instances of retaliation. As for a colonial policy which should confine all trade to the mother country—Spain tried it. The Hanseats monopolized as long as they could. The Christians were driven out of Syria. Marino Sanuto addressed the Pope on the subject of confining “the secrets of the Faithful,” that is trade, to the faithful. But in the end it was found that tariffs and other devices did not do; the old four policies were the only ones, and their alternative was war. It seems an outrage to say so, but it was not Cobden and Bright who opened English eyes either to error or to light, as the orthodoxy of the reader prefers. It was in every case circumstances. The old policies, which might have been characterized by the Straffords of despotic trade as “thorough,” answered for a time, and then had to be abandoned, simply because they could not be adhered to. It was not as if England had not made a manful struggle to keep trade to herself by peaceful means if she could, but any way to keep trade. The colonies were compelled to trade only with Britain, so that Chatham declared they could not even manufacture a horseshoe for themselves; but in the end they would not stand it. For a time, Ireland could be coerced. A cattle-breeding country, it was made a common nuisance to import cattle from Ireland; and then, when it turned to wool manufacture, that was crushed. It was not England’s fault that it could not do everything in the way of manufacturing for Ireland; it tried to, but the Irish volunteers took the motto, “Free trade or ———.” Neither England nor France were easily daunted. To the Berlin and Milan decrees of Napoleon were retorted our Orders in Council. Three Powers joined in an armed neutrality in the defence of neutral trade, and Nelson crushed them at the battle of Copenhagen, remarking as he did it, so the poet says, “We are brothers.” It was in England itself that the final revolt rose. Englishmen

were taxed so that they could not dress their hair as they liked, have as many windows as they liked, or have enough to eat. The merchants found their trade restricted so that they declared in a petition from London in 1820 that if the system under which they groaned was logical, there would be no foreign trade at all. The most ardent patriot saw that if England was to manufacture it must have the raw material, and the artisan must have bread to eat. The possibility of the older methods had passed away, there could be no monopoly of trade routes, since concealment was impossible, and there were no fresh paths. Nor did England really want them ; it was seen that war could not be conveniently carried on with all the nations of the earth at once, who were rebelling against what Napoleon called the slavery of the seas. Could not the sword be buried in earnest, now that England had got all the manufacturing power, while the colonies were mostly in the agricultural stage and Europe was lying in exhaustion after the long war ?

This was the time for the free-trade prophet to appear. Would not the nations of the earth welcome the heaven, the English traders' heaven, descending upon them. The dream had a slight success, like the chart of the Phœnician pilot put in the way of the Greeks. There were still giants and enchantments guarding the monopoly of the seas, and these took an economic shape. "Let every one do what he is fitted to do," the charmer charmed so wisely ; that is, let England manufacture and let the other nations of the world devote themselves to agriculture and pastoral pursuits. But Europe, like Greece, would brave the clashing rocks.

"Hope springs eternal in the human breast ;  
Man never is, but always to be blest."

America would have none of it ; our Irish friends were blind ; Europe turned away. Still there was the hope that our own children across the seas might see it in its true light. Not even they ! Then let us have a fiscal union to supplement the union of hearts.

Meanwhile it is said by a great economic master that history has no lessons. The fable of the clashing rocks, the story of Scylla and Charybdis now frighten no one. The attempt to claim

trade roads as private property, the desire to find new roads, that may become a monopoly, are then merely parts of the history of geography and commerce. The Greeks seemed to think differently; the clashing rocks barred the Argo from the sea of commerce, but when once a ship had passed through, they clashed no more. As in the days of Charles, so in the time of Jason, even as in all history, the *Mare Clausum*, once the clashing rocks are passed, becomes in time the *Mare Liberum*.

KENELM D. COTES.

But the contrast is limited in order to give point to the accusation that the governing classes had exploited the labourer and reduced him to his wretched state. Nothing can be falser. The condition of the labourer was due to many causes. He was the victim of enclosure, which, as Professor Levy of Heidelberg has clearly proved, was an inevitable economic movement; he was the victim of the state of transition produced by the Industrial Revolution; of the ridiculous Poor Law system; of the extremes to which the doctrine of *laissez-faire* in political economy was then pushed; of the reaction after the inflated war period and which told with special severity on all classes connected with the land; and often of the farmers' greed and neglect. But he was certainly not the victim of the governing classes. Why should they be blamed for economic changes over which they had no control, and for a system of political economy held by all the learned men of the day? On the contrary, it is to their credit that the landowners were the first to come to the labourers' aid by promoting the allotment system, which was a practical attempt to restore them to the land they had lost.

Another charge against the landowners is that they have contrived to slip off their obligations to the State, and this is supported by the statement that when their feudal dues were abolished at the Restoration, the Excise was substituted. But, as Dr. Cunningham<sup>1</sup> has pointed out, experts had long seen that the introduction of an Excise was necessary in order to tap a new source of revenue to meet the growing expenses of government. If the landowners were so anxious to evade taxation, how is it that they allowed the Land Tax, originally payable on personal as well as real property, to fall entirely on the latter; and the burden of the rates to follow the same course?

The spirit of political partisanship is responsible for many spiteful assertions, but surely to accuse the English magistracy of being a corrupt body is one of the worst. For instance, the gratuitous services of the magistrates are compared to those of the servant who asked no wages because "he always found about the house little things to pick up." A grosser libel it is difficult to imagine, and it deserves no comment.

<sup>1</sup> *Industry and Commerce*, ii. 208.

But the worst crime with which the landowners are charged is that they robbed the poor of the six or seven millions of acres enclosed during the period 1760–1845. Their accusers forget that far the greater part of the land belonged to the landlords *before* enclosure. How could land be taken from the poor which already belonged to the rich? It is even said that it is doubtful whether enclosure was an advance in farming and an increase of our food resources. The practical farmer can only laugh at so ridiculous an assertion. It may be asked how was it that a common field after enclosure was worth so much more than it had been before? Enclosure was such an expensive process that it was only remunerative owing to the great improvement in cultivation thereby rendered possible which produced better crops and higher rents. So, too, with the commons or wastes. Which was the better, a piece of land beggared by centuries of grazing without any adequate manuring, often overgrown with gorse, bracken, and thorns, or the same converted into a fruitful field? The old common field system was condemned on all sides, except by the sentimentalists of the study, as obsolete and wasteful. Thorold Rogers has told us that there was little real advance in agriculture from the reign of Edward I. to 1760, and the reason is that the common field system was mainly prevalent during the whole period. On the abolition of the common fields and the cultivation of the wastes, agriculture advanced by leaps and bounds. Professor Gonner, in his recent book on *Commons and Enclosures*, states that adverse opinion is far outweighed by the consensus of testimony in favour of enclosure from an agricultural point of view. “Authorities,” he says, “are almost too numerous to cite. They include scientific men like Linnaeus, advocates of scientific farming like Young and Marshall, and practical agriculturists.”

With regard to the tyranny and injustice with which enclosures are said to have been carried out, we must recall the fact that both enclosure commissioners and surveyors were always put under solemn oaths to act fairly and impartially, and the Acts directed that the lands on enclosure were to be allotted to all claimants in proportion to and according to their several rights. No doubt there were cases of unfair dealing; we know there were from contemporary writers. But no one who knows the English



of the dissipations of some of the gentlemen of the day, we are told that "the more boisterous the fun at Almacks the deeper the gloom thrown over the village; the cottagers paid for their lords' dissipations in the loss of innocent pleasures"; and we are left to infer that this was the normal lot of the English village. But what proportion of the landowners rioted at Almacks and similar haunts? Without doubt a very small one. The great mass of the English gentry were neither then nor now dissolute gamblers. They were, as they are to-day, essentially lovers of country life, engaged in the management of their estates, fond of their open-air sports, good friends with their tenants, leading in fact a happy, wholesome, useful life. No doubt in the eighteenth century there were many black sheep among the upper, as in other classes; but how is it so little mention is made of the Bedfords, the Cokes, the Winchelseas, the Sinclairs, the Staffords, and many another landowner whose generous public spirit has been the peculiar glory of English agriculture? They receive scant notice from the class of writer of whom I wish to complain.

Another charge levied against the landowners is the lowness of the labourers' wages. No doubt the wages of the farm labourers were, until quite recent times, miserably inadequate, especially from the commencement of the great war with France in 1793 until well on in the nineteenth century, and to-day in many places they are still far too low. But who pays these wages? The farmer, and he must therefore be blamed for their inadequacy. No doubt we shall be told that the landowners screwed up the rents so much that the farmer could not afford decent wages. But every one who has a practical knowledge of estate management knows that this is a false charge. Sir James Caird, sixty years ago, said he doubted if agricultural land paid the landlords, on the large estates at all events, more than two per cent. The evidence of the tenant farmers before the recent Committee on the Break up of Estates was almost unanimous in favour of holding under their present landlords in preference to any other scheme; and it was admitted by all the witnesses examined that rents on the large estates were moderate, much lower indeed than would be the case if the estates were administered in a commercial spirit.

Young and Marshall, in the eighteenth century, continually speak of the excellent relations between landlord and tenant. So complete was the mutual confidence that farmers often executed improvements on yearly tenancies where no compensation was secured for them by custom or statute, relying on the fair and honourable dealing of the owners.

The rent of the labourer's cottage is another proof, if proof were wanted, that the landowner is not his oppressor. It is, and always has been, acknowledged that it is far better for the labourer to rent his cottage directly from the landlord than from the farmer, because in so doing he will pay a lower rent. Indeed the average rents of labourers' cottages rented direct from the landlord are so low as to make them an unremunerative class of property, and now that the great estates are being broken up, one of the most pressing rural problems will be the housing of the labourer, since there will be fewer generous landowners to house him at a loss.

One of the worst economic mistakes ever made in England was the famous Speenhamland Act of 1795, by which allowances out of the rates were made to the labourer according to his family and the price of bread. It was a foolish but kindhearted effort on the part of the landlords to alleviate the labourers' lot. But even this is denied to them in the book under review. It is said to have cost the landlords nothing, for, if instead of the allowances an extra wage had been paid by the farmer, this too would have come out of the rent. But how could the landlords guarantee an extra wage being paid by the farmer? It is obvious that in either case the pocket of the landlord would suffer; and they proposed to pay the labourers out of the rates because that, at all events, was a certain relief, while increased wages were problematical.

Another instance of animosity is the contrast between the wretched position of the labourer in 1830 with that of the governing classes. Why only with the governing classes? Every student of economics knows that by that date the middle class and many of the wage-earning class had bettered their position; therefore the condition of the labourer should be contrasted with that of the rest of the community and not with one section of it,

## THE LANDLORDS, THE LABOURERS, AND THE LAND.

THE landowners of England have indeed fallen on evil days. From being the most powerful and the most envied class in the nation they are rapidly sinking into a condition of unimportance and weakness ; so that the main object of many of them is to get rid of the acres which were once the source of so much pride before taxation has devoured them. And not only are the living made a special object of plunder, but their forefathers are not allowed to sleep in peace, and are attacked with virulence by a set of writers whom the very name of landlord fills with unreasoning wrath. All their faults and shortcomings are brought to light and set forth with jealous care, while their merits are as carefully ignored ; and no allowance is made for the fact that they lived before this enlightened period of democratic perfection !

A certain class of writers attribute to the landowners of a century or so ago, among other faults, a malevolence towards their social inferiors which their contemporaries never saw, and which, if it had really existed, would speedily have brought its own punishment. If the landlords have been such monsters of tyranny and injustice, how is it that there has been no rebellion against them since the rising of Ket ? for the riots of 1830 were mainly directed against the low wages paid by the farmers and the use of machinery. No nation of freemen worthy of the name would have endured such iniquitous oppression for any length of time. The fact is that the landowners of the eighteenth century were no worse than any other class, and we cannot blame them for exhibiting the faults of their time ; it is idle to blame the eighteenth century for not being the twentieth. The hard and narrow political economy then in vogue taught the upper and middle classes to look on the poor as little better than serfs. It

cannot be said that there was a want of sympathy, but the point of view from which the lower classes were regarded by their more fortunate countrymen was wholly different from ours. It must be confessed that the former were considered as existing mainly for the benefit of the latter, and most of the poor themselves would have been very much surprised at any other doctrine. This was the prevailing idea as to the natural order of society : the hard doctrine of a hard age. Feudalism, which had many beneficent aspects, had disappeared ; commercialism had come in, and philanthropy was only just raising its head. It was an age when England ground Ireland to the earth with remorseless tyranny, when even men like Wesley approved of the Slave Trade, when contemporary literature depicts the whole tone of the time as coarse and cruel ; an age of " ferocious penalties and brutal methods."

The evil that arose from this harsh spirit was aggravated, in rural districts, by the separation of classes which came from the break up of the old village, brought about by enclosure and the consolidation of farms. The farmer and labourer had hitherto lived much the same kind of life, there was little distinction between them. Now the farmer was a bigger man financially, and on a different social plane from the labourer, who at the same time lost his chance of rising in the world owing to the diminution in number of the small holdings. This separation of classes was further increased by the Industrial Revolution which swept vast masses from the country into the manufacturing towns where they were completely segregated. And it is no exaggeration to say that the invention of steam-driven machinery and the resulting factories did far more to depopulate the country side than any other cause. In a word commercialism in town and country destroyed the old ordered and carefully graded life, and rich and poor grew farther and farther apart.

Were the landlords to blame for this ? Some of their enemies seek to persuade us that they were ; and a conspicuous example of the onslaughts on this much-abused class is the recently published *Village Labourer from 1760 to 1830*, by Mr. and Mrs. Hammond, a work of great research and conspicuous ability but disfigured by prejudice and bias to an amazing degree. Speaking, for instance,

character will believe that the whole movement was characterized by systematic perjury and dishonesty as is so often alleged. Professor Gonner, after an exhaustive and judicial examination of the facts, comes to the conclusion that the "Commissioners as a rule seem to have given very careful consideration to the claims of the poor owners, and the compensation was equal in value to the rights of which they were deprived." Hardship is the inevitable concomitant of all periods of industrial transition; and it is as absurd to blame the landowners, who were undoubtedly the leaders in this progressive movement, for the misery connected with it, as to blame the great inventors of machinery, who were their contemporaries, for the misery that came to thousands who were deprived of their domestic industries through the adoption of the new inventions. The path of industrial progress is strewn with victims.

As is well known, the reason why so many small owners lost their lands on enclosure was the great expense of the process which forced them to sell what had been allotted to them. As regards those who had rights on the commons and wastes, we cannot acquit the landowners of blame. Compensation indeed was allowed for loss of common rights, but the capitalized value thereby substituted was small. Again, the rights were attached to the freeholds of the cottagers or small farmers, and as the owner of the freehold was often the lord of the manor, the compensation went legally to him. No doubt the cottages and small farms were worth less rent because of the loss of common rights, and thereby the occupiers were recouped to some extent; but their common rights were far more valuable to them than any reduction in rent. Besides the occupiers of cottages and small homesteads to which common rights were attached, there were those who used the commons by reason of proximity and by sufferance, not by legal right. To them, on enclosure, no specific allotments were made, but the custom was to set aside some land or money for the use of the poor by way of compensation, though this was more honoured in the breach than the observance.

This is the great blot on the enclosure movement. There was no legal wrong done, but the moral wrong wrought by the loss of the common rights to the occupier, as distinguished from the

owner, was great, and should have received far more attention from the governing classes than it did. But, as Professor Gonner points out, the common right system was falling into disuse. Large farmers exceeded their rights and surcharged the commons to the detriment of the poor; jobbers hired cottages merely to obtain a right of entry on the commons; and encroachments by new comers worked very hardly on those to whom the commons really belonged. Further, writers all through the sixteenth, seventeenth and eighteenth centuries are continually asserting that many of the commoners were idle vagabonds. The right of common was valuable as part of a coherent agricultural system; but when that system fell to pieces from the break up of the manor, and the right became separated, as it often did, "it was inadequate as a means of livelihood and because of its precarious nature struck at the roots of steady industry." The system, in a word, had outlived its purpose and was doomed.

In the inevitable change from the old order, now obsolete, to the new, the English peasant became, generally speaking, a landless man, and the great problem arose how to restore him to the land. The landowning class were the first to try and solve the problem, but, as we should expect, receive scant acknowledgment from their foes. This phase, indeed, of agricultural history, has not received the attention it deserves, so I must be pardoned for giving a short account of it.

It must be stated, in passing, that a great amount of superfluous pity has been wasted on the modern wage-earning labourer as distinguished from the small holder: in a great many cases the former gets more money and does not work nearly so hard as the latter. If any one doubts this, let him read the evidence of the Royal Commission on Agriculture of 1893. And when the labourer, besides earning fair wages, has, as he nearly always has now, an allotment or a good garden, he is better off than the small holder who has no by-industry to help him.

The earliest efforts to bring the land back to the peasant were in the direction of allotments. In 1795, Sir John Sinclair's *Report on Waste Lands* mentions the lord of a manor near Tewkesbury who set out in 1772 twenty-five acres with the most excellent results; the profligate were reclaimed, the produce of the land

## REFLECTIONS ON A PAMPHLET ENTITLED "THE MINERS' NEXT STEP."<sup>1</sup>

ATTENTION was drawn to this remarkable pamphlet in the daily press during the coal strike ; but a fuller account of its contents than was there possible seems desirable. It represents a theory which has fiery champions among the workmen, and may spread rapidly with disastrous effects on the industrial life of the country, if indeed it was not in Wales the principal cause of the recent troubles. In brief the theory is this. The interests of employers and workmen are irreconcilable. The old methods of collective bargaining proceeded on a false assumption—the identity of those interests. War, open or disguised, is the only policy, until the coal-owners, profits gone and capital irrecoverable, surrender the mines in despair to their workmen. With this single end in view, the miners are urged to “democratize” their constitution, to depose their “leaders,” and to set up instead an Executive Council from which all their agents and Parliamentary representatives are shut out, degraded to the rank of delegates without initiative or responsibility. This instrument of despotism, adorned in all the specious phrases of democracy, will proceed to extract the whole of the mine-owners’ profits by raising the minimum wage and reducing the hours of labour under the threat of paralysing industry, or where these expedients fail, “by the more scientific weapon of the irritation strike.”

How far the pamphlet represents the opinions of the miners we do not know. But it is not the work of one man, nor, apparently, of a small group. It claims to be the product of “hundreds of

<sup>1</sup> The full title of the pamphlet is *The Miners' Next Step, being a suggested Scheme for the Reorganization of the Federation*, issued by the Unofficial Reform Committee. It was printed at Tonypany this year, but suppressed on the eve of publication. The writer of this article is indebted to the kindness of Mr. D. A. Thomas for the copy which he has used.

men—trade-union officials, executive members and workmen,” and to do no more than express in systematic form resolutions which, presumably in 1910, were approved by various Lodges of the South Wales Miners’ Federation, and sent on by them through their districts to the Executive. The fate of these resolutions is instructive. The Executive appointed a sub-committee to examine them, and draft a programme, which was submitted to a Conference in March, 1911. The programme gave no satisfaction to the promoters of the resolutions. “It consisted of a recommendation to increase the contribution to 2s. per month, and a very worthless and highly bureaucratic scheme of centralization.” The reformers accordingly despaired of any reform from that quarter. They took the matter into their own hands, and held meetings in every part of the coal-field, discussing and developing their scheme. This pamphlet is one result. Perhaps another was the deposition last autumn of the tried officials of the South Wales Miners’ Federation, Messrs. Brace, Richards, and Onions, and the election by ballot in their stead of Messrs. Hartshorn, Stanton, and Barker, as members of the National Executive.<sup>1</sup>

The pamphlet opens with an attack on the old policy of the Federation—the conciliation policy pursued since 1900. As a means of raising wages it has failed; and “that is the best and the only real test of any policy.” Not that wages have not risen. But they have not risen as rapidly as the price of coal. That ought to have secured an advance of 60 per cent. on the standard; but in fact the miners are paid only 50 p.c. The reason is that the workmen must contribute something towards such advantages as they have obtained under the Eight Hours Bill. But the authors of the pamphlet claim in effect that whatever burdens Parliament may impose on any industry, the workmen should not share them. As it is, they say, “if we get any improvements we must pay for them. We can go on like this for centuries securing great principles and legislative reforms, while all the time our pockets grow emptier. This is a fiendish principle that no sane man can countenance.” Their disappointment is

<sup>1</sup> It should be noted, however, that Mr. Brace has recently been elected President of the South Wales Miners’ Federation by a large majority over his competitor, Mr. Hartshorn, and also that Mr. Stanton did not succeed in capturing the Vice-Presidency.



Poor Law Commission on the Employment of Women and Children in Agriculture, and of the Committee on the Labouring Poor (Allotments of Land). It was stated in the latter that allotments were to be found in all agricultural counties, but had not become universal in any one of them; and the chief promoters were "benevolent landowners." It is interesting to note that the rules drawn up at this time for the management of allotments were often as much concerned with the conduct of the tenants as with their husbandry. Work on Sundays was strictly prohibited; attendance at a place of worship enjoined; drunkenness, gambling, and swearing led to expulsion from the holding. The farmers, though still hostile in many places, were less so. In Essex, their chief objection to the movement was that the allotment holders deprived them of the manure from the roads—an important item in those days when a vast amount of traffic that now goes by rail went along the roads. In fact, all the witnesses examined by the Committee were of one mind as to the importance of allotments being held directly from the landlord, for he was much less likely to charge excessive rents than the farmer.<sup>1</sup>

The General Enclosure Act of 1845 passed, be it remembered, by a parliament in which the landed interest was still strongly represented, provided for the apportionment, in certain cases, of allotments for the poor. It is important to remember, for the point is generally slurred over by a certain class of writers, that these allotments under the Act were over and above the compensation allotted for all legal claims,<sup>2</sup> and were an attempt to satisfy moral claims with which the law is not usually concerned. Therefore the assertion so often made that, by 1869, of the 614,800 acres enclosed under the Act, only 2223 acres were allotted to the poor is dishonest, since all legal claims both of poor and rich had been satisfied before these extra allotments were made. Another fact often suppressed is the statement of the Report of 1867-8 that in many cases these extra allotments were not made to the poor because they already had good gardens, and did not want allotments.

Between 1845 and 1875 about 600,000 acres of land were

<sup>1</sup> Qns. 300, 850, 1830, 1978, 2977.

<sup>2</sup> See *Report on Employment of Women and Children in Agriculture*, 1867-8, p. 50.

enclosed, and Sir James Caird has told us <sup>1</sup> how it was divided and to whom it went. 620 lords of manors received on an average  $44\frac{1}{2}$  acres each ; 21,810 common right owners secured on an average 24 acres each ; 3500 purchasers (of land sold to pay the expense of enclosure) received on an average 10 acres each. The land was divided among different classes as follows :—

Yeomen and farmers .. .. .	4836
Shopkeepers and tradesmen .. .. .	3456
Labourers and miners .. .. .	3168
Engineers .. .. .	2624
Widows ... .. .	2016
Gentlemen .. .. .	1984
Clergymen .. .. .	1280
Artisans .. .. .	1067
Spinsters .. .. .	800
Charity trustees .. .. .	704
Peers, baronets, and sons of peers .. .. .	576
Professional men .. .. .	512

The Parliamentary Return of 1886 <sup>2</sup> gives the number of allotments, cow runs, potato grounds and cottage gardens as 750,000 ; and as the number of agricultural labourers at this date was about 850,000 <sup>3</sup> we see that most of them were no longer landless.

After this we enter the period of legislation, which does not concern this article. I have only wished to show what was accomplished voluntarily, with little aid from Parliament, by a class which receives scant justice to-day from a nation which is mostly ignorant of the land and everything connected with it.

W. H. R. CURTLER.

<sup>1</sup> *Landed Interest*, p. 123.

<sup>2</sup> LXX., p. 84.

<sup>3</sup> According to the census of 1881, 890,174, to that of 1891, 798, 912.

and the comfort of the cottagers increased; and the poor rates were reduced. Not long after this, Nathaniel Kent recommends that the most industrious labourers should have attached to their cottages three acres of pasture as well as half an acre of garden. Arthur Young, as is well known, became, towards the end of his life, a supporter of small holders; and Sir Frederick Eden wished for enough land to maintain a cow or two, some pigs and poultry, as well as ground for potatoes. In 1796; the Society for Bettering the Condition of the Poor was founded by Thomas Bernard, the Bishop of Durham, and William Wilberforce, whose object was to "give the cottager the opportunity of acquiring property and the means and habits of improving it." In 1800, among the premiums of the Board of Agriculture—then not a Government department but a society mainly of landowners—were two gold medals, one to the person who should build on his estate the most cottages for labourers having a proper proportion of land for the keep of a cow, as well as a good garden; the other for the best scheme for rendering allotments general throughout the Kingdom—"a great national object."

The subject had also attracted the attention of the legislature, and in 1782 an Act was passed enabling guardians to enclose common lands for the benefit of the poor; while in the General Enclosure Act of 1801, the thirteenth section provided that small allotments made under the Act which would be expensive to enclose might be laid together in a ring fence and stocked and depastured in common. In 1806, allotments were being provided in Wiltshire on enclosure in considerable numbers.<sup>1</sup> But it was to the great landowners that the labourer generally owed his allotment. In 1810, the Earl of Winchelsea had set out many in Rutland and Wilts.<sup>2</sup> In 1815, Lord Peterborough reserved land for his labourers and several other landlords did the same.<sup>3</sup> In 1819 came an act for enabling Poor Law Authorities to purchase or lease land for the benefit of the poor—the first provision of allotments by public Act of the legislature, which was extended in 1831. In 1829 we are told that the Duke of Bedford, Earl de Grey and other landowners were setting out allotments, which

<sup>1</sup> *Report on Employment of Women and Children in Agriculture, 1867-8, p. 34.*

<sup>2</sup> *Ibid.*

<sup>3</sup> *Ibid.*, p. 35.

were becoming general.<sup>1</sup> In 1834, the Magazine of the Labourers' Friend Society, which had been formed by a "number of noblemen and gentlemen" was established for the purpose of disseminating information on the advantages of allotments to the labouring classes.

From the famous Report of the Poor Law Commission of 1834 we learn the results of the efforts hitherto made to provide the labourer with land. Allotments, it stated, had generally been beneficial and successful when provided by private individuals, but when managed by parish officers had seldom succeeded (p. 107). As to the extension of the allotment system, the report stated that in Wilts and Dorset there was scarcely a parish in which the labourer had not the use of land (p. 101); in Cambridge-shire the system of allotments was being generally adopted (p. 103); and many of the largest proprietors in Surrey, West Sussex and Middlesex were providing allotments (p. 576). It had become very general in Huntingdonshire (p. 677), and in the West Riding the larger landowners were "affording this accommodation to cottagers." It was the same tale everywhere; "the larger landowners," who to-day are always being falsely accused of driving the labourer from the land, were the men who tried hardest to get him back to it.

The chief opposition to allotments came from the farmers, who said, as they have often said since, that allotments made the labourer too independent, and negligent of his work on the farm; that he reserved his best energies for his own land; that they wanted all the land for themselves; and the labourer would never pay his rent. Moreover the farmers feared a diminution of their profits by the introduction of a new class of producers. The village shopkeepers were also against them, as they were afraid that if the labourers produced food themselves they would buy less off them, and would disentangle themselves from the meshes of debt in which they were caught. The innkeepers, too, were afraid that if the labourer was employed on his own land he would have less time and inclination for the public house.

In 1843, two reports appeared which give us the results of the working of the allotment system up to that date; those of the

<sup>1</sup> *Report on Employment of Women and Children in Agriculture, 1867-8*, p. 39.

intelligible. Politicians have encouraged men to believe that the incidence of the expenses of social reform will fall on those shoulders only upon which the State lays them. Their promises are as stupid as they are mischievous. "Pile up the rates," one says; "the landlord will pay." The result is a Poplar, a falling city, its staple industries displaced by parasitic trades. "Charge it on the consolidated fund," says another, as though the taxes came down like manna from heaven. "Levy it on the employers," says a third, as if it could be simply deducted from profits instead of raising prices, or, if foreign competition prohibits that, falling in part at any rate upon wages. We would not be misunderstood. We do not oppose social reforms. We plead only for honesty in those who explain them to the people. To promise ninepence for fourpence is not honest. Nemesis awaits it, as surely as it has overtaken the promises of the Eight Hours Bill. "This present struggle for a minimum wage is a direct outcome of that Act."

Further, the authors of the pamphlet criticize the old policy of conciliation, on account of the delay which it involved. Here, perhaps, they have a strong case. They mention one instance, at Rhymney, where the negotiations dragged on for two years. They feel, too, that their representatives are handicapped at the meetings of the conciliation-board. The employers only know all the facts. "We don't audit their books, and we have no means of judging the truth of their assertions." Whether or not this suspicion is justified, it is one of the most lamentable features in the recent troubles. And there can be no permanent improvement in the relations of employer and workman until the virtue of truthfulness wins a higher place in the national conscience. If employers suppress the truth and workmen break their contracts, there cannot be peace but only a suspension of open hostilities. The authors of the pamphlet have a further grievance. "When we are considering principles, the employers have only to show that some wretched little colliery employing ten men will have to close if we insist on our demands. That silences us. The little colliery belongs to a method of production that is almost a century old. Yet we must allow *their* conditions to govern us. *Reason* in such a case means, in plain English: *the Employers' interest and outlook.*" There may be some truth

in this complaint. Yet the example is evidently hyperbolic. And the miners’ demands in the recent troubles showed quite clearly that they had given little enough attention to the consequences to themselves of closing those mines which at present barely pay their working expenses.

But the strongest indictment of the pamphlet is laid against the miners’ leaders. “The policy of conciliation gives the real power of the men into the hands of a few leaders.” They claim and exercise plenary powers. “Conferences are *only called*, and ballots *only taken*, when there is a difference of opinion between leaders.” “In the main and on things that matter the Executive have the supreme power.” So the leaders are corrupted. The men idolize them—so long as things are going well. “The employers respect them. Why? Because they have the men—the real power—in the hollow of their hands. They become ‘gentlemen,’ they become M.P.’s and have considerable social prestige because of this power.” But this is not all. Having enjoyed power, the leaders subordinate every interest to its maintenance. They are “trade-unionists by trade,” with the pride of a profession and an obstinate determination to maintain its privileges. “Can we wonder then that leaders are averse to change? Can we wonder that they try and prevent progress? Progress may arrive at such a point that they would not be able to retain their ‘jobs,’ or their ‘jobs’ would become so unimportant that from their point of view, they would not be worth retaining. *The leader then has an interest—a vested interest—in stopping progress.*”

There may be solid grounds for this indictment. History has shown time and again that the thirst for power may produce the most signal tyranny in the leaders of the people, and utter selfishness in those who have won authority by their professions, not always hypocritical, of devotion to the public welfare. And Socialists have too often forgotten that the more effectively the desire for wealth is atrophied as a motive of action, the more fiercely the lust of power will inflame human ambition. It is possible, therefore, that the leaders of trade unions have converted their trust into a selfish privilege. But, if we consider the men who have been most bitterly attacked, men of experience and

judgment, we are inclined to give another explanation of the indictment. It is jealousy of power and the disappointment of extravagant expectations. By inadequate statistics, misapplied and misunderstood, the workmen have been led to believe that much larger wages could be exacted than the industry can afford. Ambitious men, aspiring to command, have used the failure to secure advances as a means to discredit "the old guard." Sometimes the rank and file have been persuaded to break the contracts made by their agents, sometimes to withhold from them the power of completing agreements. The evils of breaking contracts are obvious enough; and perhaps the only remedy is to make the Unions again liable for breach of contract. Power without responsibility invites abuse; and the temptation appeals more strongly to a corporation than to an individual, especially if that corporation adopts "the militant aggressive policy" which is urged by this pamphlet. The evils of leaving the leaders to negotiate without giving them power to conclude agreements have been severely felt in South Wales. Divided responsibility and suspicion of officials aggravated and prolonged the Cambrian and Aberdare disputes. Here, it may be recalled, 12,000 men were on strike for a year, losing a million in wages against the advice of Mr. Abrahams and other leaders of the old school, on account of a price list which enables the men, compelled at last to accept it, to earn 10s. a day. But from these facts the writers of the pamphlet do not draw the more obvious conclusion, and advocate a return to the old allegiance. The remedy is to devise means which will give reins to the new spirit of democracy, "which will not only *enable* the men, but encourage, nay *compel* them, to take the supreme control of their own organization."

As a preface to the new constitution which will dispense with leadership, they examine the labour leader and his functions. The leader is a man "who, in a representative capacity, has acquired combined administrative and legislative power." In other words, he is elected by the members of the Union, he negotiates for them, and he binds them by the agreements which he makes. "His motto is, 'Men, be loyal to your leaders.' His logical basis: Plenary powers. His social and economic prestige is

dependent upon his being respected by 'the public' and the employers. These are the three principles which form the platform upon which the leader stands." The writers begin by recognizing the advantages of leadership. It tends to efficiency. "One decided man who knows his own mind is stronger than a hesitating crowd." The leader acts with a due sense of his responsibility. "He knows that his advice is almost equivalent to a command, and this ensures that his advice will have been carefully and gravely considered before being tendered." He stands for order and system. To maintain his position he must possess uncommon abilities. He has strong motives to perform his duties honestly and faithfully. "Hero worship has great attractions for the hero, and a leader has great inducements on this side, apart from pecuniary considerations, to remain faithful and honest." But, on the other hand, leadership implies power. "Without power the leader is inept. The possession of power inevitably leads to corruption. All leaders become corrupt in spite of their good intentions. No man was ever good enough, brave enough, or strong enough, to have such power at his disposal as real leadership implies." Moreover the leader obtains his power at the expense of his followers. He takes from them and consolidates in himself "the power of initiative, the sense of responsibility, the self-respect which comes from expressed manhood." To maintain order and system he must suppress those whom he leads. "From being independent thinkers they become 'the men' or 'the mob.'" Of necessity he grows into "an autocrat and a foe to democracy." To secure his power he must "see to it that only those who are willing to act as his drill sergeants or coercive agents shall enjoy his patronage." The men follow him like sheep. "But they have no solidarity, for that means unity and loyalty—unity and loyalty, not to an individual or the policy of an individual, but to an interest and a policy which is understood and worked for by all." In short, the leader usurps the legislative power of the workers; he thinks for them and acts for them. Progress is blocked by his consideration for himself and their incapacity. Large and comprehensive aims cannot be initiated and pursued, "which depend upon the understanding and watchfulness of the great majority. National strikes and policies



can only be carried out when the bulk of the people see their necessity, and themselves prepare and arrange them."

Let us now examine the constitution which is to dispense with leaders. All the workers engaged in or connected with the mining industry in South Wales shall form one organization. The administration shall be vested in the hands of one Central Executive Council, elected annually by ballot vote of the members. But no agent or other permanent official of the Federation, nor any member of Parliament, may seek for or retain a seat on the Executive. All power of legislation shall remain in the hands of the members through the Lodge or the ballot vote. (This means, apparently, that all the initiative for new proposals, policies and tactics, remains with the Lodge. If a dispute arises, the Lodge determines the principle on which it is to be settled: the Executive intervenes only when the Lodge has failed, or at their request. It has no power to vary the demands of the men. "The workmen decide the principle, the Executive carry it out.") A Joint Delegate Conference of all the Lodges shall be held monthly or oftener if occasion demands. No new price list shall be adopted until formally sanctioned by the Conference. (Here of course there is a limitation to the power of any individual Lodge, which is not easy to reconcile with the independence of the Lodges.) All agents shall be deemed equal in status, paid at similar rates and subject to the control of the Executive. Members of Parliament shall receive their instructions from special conferences, and shall at once vacate their seats if a ballot vote of the membership so decides. Every adult member shall contribute 1s. per lunar month, 8d. of which is to go direct to the Central Fund, and 4d. is to be retained in the Lodge to defray Lodge expenses and form a local fund.

To an observer this constitution presents two alternatives—anarchy or despotism. If the Lodges should show the initiative which the pamphlet demands of them, there appears to be no reason why they should not originate and compel the Executive to pursue contradictory policies or tactics. But if the Executive should dominate the organization, immense power would be placed in the hands of leaders without the experience and knowledge of "the old guard" or that respect for the public

interest which few members of Parliament can fail to acquire.

The authors of this constitution expect to counteract its centrifugal tendencies by the unity and simplicity of their policy—a policy which seems to allow little independence of thought or action to the Lodges. They approve of collective bargaining; but they do not approve of the varied and complex schedules negotiated by leaders of the old school according to the varying circumstances and quality of the work performed. They do not seek to secure what is fair and equal as between employer and workman; their aim is to extract the whole of the employers' profits. The interests of Capital and Labour are irreconcilable. War is the only policy; the one condition of peace is the annihilation of the capitalist. Their programme is not confined to one industry or to one country; it embraces all countries and all industries. "We cannot get rid of employers and slave-driving in the mining industry, until all other industries have organized for and progressed towards the same objective. Their rate of progress conditions ours: all we can do is to set an example and the pace." The first step is to organize the miners of South Wales; and "the organization is constructed to fight rather than to negotiate." Every man working in or about a mine, no matter what his craft or occupation, shall be required both to join it and to observe its decisions. The next step is to combine the whole of the mining and quarrying industries of Great Britain into one Federation with one Central Executive. "The working class, if it is to fight effectually, must be an army not a mob. It must be classified, regimented and brigaded along the lines indicated by the product." Similarly the railwaymen, dockers, seamen and carters must form a single Federation of Transport workers. Nor can the organization stop at the frontiers of nations. All workers must "amalgamate into one international union, to work for the taking over of all industries by the workmen themselves. Before an organized and self-disciplined working-class can achieve its emancipation, it must coalesce on these lines."

Consequently conciliation boards and wages agreements find no place in their programme. "They only lead into a morass."

The proper weapons are a national minimum wage of 8s. a day for all workmen employed in or about the mines, and, *after* that has been secured, a seven-hour day. "The great merit of the minimum wage is that it makes conciliation unnecessary. A man either receives the minimum or he does not." There is nothing to negotiate about. Moreover as the Federation grows more powerful, the minimum will become the maximum which can be earned on the price-lists. But the employers "will perforce always be ready to offer some inducement to the men to earn something above the minimum in order to expedite production and thus maintain profits." This inducement, however, will only "supply the necessary stimulus for further increases in the minimum."

This policy of the minimum wage has nothing to do with "the living wage"; and it is well that the public should recognize the distinction. On the eve of the coal strike Mr. Hartshorn addressed the following manifesto to the people of England. "A million miners are making a great human appeal. In return for their labour . . . they ask to be assured a living wage. Do the people of England quite realize what the demand amounts to? Do they understand that it is an appeal direct from the homes of the miners backed up by the women and children? The minimum wage would mean a sufficiency of food where there is now want. . . . The miner asks that the coal industry shall assure him a moderate living wage and remove from his home the shadow of extreme poverty and the harassing worries which are an everlasting nightmare." The abuse of a phrase could hardly go further. In the recent strike which did bring misery and debt and starvation to many thousands of homes outside the coalfields, the Welsh miners demanded a minimum wage exceeding 7s. a day, in pursuit of a policy much nearer to that of our pamphlet than the rhetoric of Mr. Hartshorn would suggest.

So far the programme does not afford much opportunity for independent action by the Lodges. It is indeed militant enough. And to make the Lodges "centres of keen and pulsating life," the pamphlet holds that one thing only is indispensable—"a militant aggressive policy." Quickened and animated by that, the Lodges will perhaps find scope for the exercise of their initiative

in "the Irritation Strike." This is a more "scientific weapon" for settling small disputes than throwing down one's tools. The workmen simply remain at work, reduce their output and contrive by their general conduct to make the colliery unremunerative. "Quite a number of instances where this method has been successfully adopted in South Wales could be adduced." Here indeed is an opportunity for individual initiative and ingenuity.

The pamphlet concludes by emphasizing its central purpose—the elimination of the employer or the shareholder, of the owners of capital, whatever their guise. It promises strenuous opposition to all proposals for the nationalization of mines, recognizing that the capitalist would remain and draw interest in the place of profits; the return on his money might be less, but, with all the force of Government behind him, it would be more secure. "Our only concern," they say, "is to see to it, that those who create the value receive it." The miners must get possession of the mines. They will then elect their managers and inspectors. "The men who work in the mine are surely as competent to elect these as shareholders who may never have seen a colliery." The rest of the workmen will follow their example. Then the Golden Age will at last dawn. It will see no more "the modern wage-slave, with nothing but his labour to sell, selling that, with his manhood as a wrapper, in the world's market-place for a mess of pottage." Then all industries will be co-ordinated by a Central Production Board, "who, with a statistical department to ascertain the needs of the people, will issue its demands on the different departments of industry, leaving to the men themselves to determine under what conditions and how the work shall be done. This will mean real democracy in real life for real manhood and womanhood. Any other form of democracy is a delusion and a snare."

Such are the main contentions of this remarkable pamphlet. The ability of its thought, the vigour of its expression and the nobility of some, if not all, of its aims will be abundantly clear from the quotations we have made. And however severely we may condemn the recent strike, no one can refuse to admire the tenacity, the discipline and the loyalty to one another of the men who fought to the end. Among the miners of South Wales there are men with a genius for leadership, men of intellect and

men of action. It seems a grievous pity that such energy and ability should be misdirected into channels, which must bring the industry of England to the cataracts of class-warfare fatal alike to Labour and to Capital. It ought not to be difficult to explain the function of capital to such men as the writers of this pamphlet. Certainly a great effort should be made to do so by professed economists, still more perhaps by the Press and those politicians to whom such men are willing to listen. Repressive legislation, even if it were possible, would not cure these evils. It would aggravate them. Nor is any good to be expected from parliamentary compromises. The theory we have been considering is uncompromising. No "concessions" will satisfy those who believe in it: they will only be encouraged to demand more. What is necessary is economic enlightenment. There is no duty more incumbent on the leading statesmen of this country than to make a serious effort to explain the fundamental principles on which our economy rests to the working men. After all, they will be the greatest sufferers if our industry should be paralysed. The courage and tenacity of purpose which expounded Home Rule in the heart of Belfast are even more necessary to-day to make clear the identity of interest between Capital and Labour in the mining villages of South Wales.

A. J. JENKINSON.

## NOTES AND MEMORANDA.

PROFIT-SHARING IN OPERATION.—The *Economic Review* has frequently during the last few years published accounts of the theory of Profit-sharing and similar attempts to overcome the antagonism of capital and labour, as well as statistics showing the increasing amount of capital invested in schemes of this kind. An account of a profit-sharing scheme actually in operation may perhaps clear up some points which still seem obscure, and thus show more exactly what profit-sharing means and what is to be hoped from it in the future.

The business which we take to illustrate the principle is that of Messrs. J., T., and J. Taylor, Ltd., woollen manufacturers, of Batley. We owe the following details to the kindness of Mr. T. C. Taylor, M.P., the head of the firm, who is an indefatigable advocate of the principle of profit-sharing and always ready to defend it in the Press or in Parliament against attack or belittlement. The following is the official account of the origin and character of the scheme :—

“It is now twenty years since Mr. T. C. Taylor became the sole proprietor of the business, and at once began, on a small scale, to carry out the idea of profit-sharing. In the years 1892, 1893, and 1894 he went no further than the managers and foremen, but in the beginning of the year 1896 he announced a scheme of profit-sharing to include the whole of the employees, and in the same year converted the business into a private limited liability company in order to carry out his purpose. To commence the scheme, a general distribution of shares was made for the year 1895.

“The scheme provides that after making due allowance for depreciation, any profit which may remain after paying 5 per cent. on capital is apportioned between capital and labour according to their respective amounts. That is to say, any percentage of profit received by capital beyond 5 per cent., is also declared on the year's total wages, and every worker who has been employed during the whole of the year is credited with bonus at not less than that rate on his or her year's wages. Double bonus is given to those not less than 21 years of age who have been with the company at least 5 years, and own shares equal to half a year's wages. To provide for this double bonus, the wages of those entitled to it are,

of course, doubled when computing the total wages upon which bonus is declared. The bonus is not given in cash, but in the form of fully-paid shares in the company. The shares thus allotted entitle the holder in the following year to payment in cash of any dividend that may be declared. Such portion of the total wages paid as has been earned by workers who have not remained the whole year does not confer bonus on those individuals, but, nevertheless, the whole wages paid during the year rank along with capital for bonus, the amount unappropriated to individuals being carried to a special fund called the Workers' Benefit Fund.

"The bonus shares do not carry votes, but they entitle the owner to the same rate of dividend as any other shareholder, and, in case of winding up the company, to share at the same rate in the assets. The shares can only be held by employees of the company, and an employee must have a holding equal to his year's wages before he can sell any of his shares. Persons leaving the company's employment are required to sell their shares within six months, but to prevent employees leaving simply to get hold of the money, the company do not undertake to transfer shares until three months after the holder has left."

The firm now employs over fourteen hundred men and women, as against six hundred in 1892. To each employee, when the scheme was started, a small share in the capital of the firm was given—to those who earned 20s. per week or more two fully paid £1 shares, to the rest one £1 share. Since the bonus on wages takes the shape of shares, it follows that, so long as the year's working shows a profit, the proportion of the total capital of the firm owned by the employees increases year by year. Exact figures as to the capital of the company are not available; but Mr. Taylor stated at this year's annual meeting that nearly half the capital was owned by "workers other than himself"; from which it clearly follows that, if business remains good, in a short time the employees' interest will largely preponderate. As to the distribution of profits, Mr. Taylor also stated that this year more than half of the net profits of the concern was "being paid out to the employees, either in labour bonus or in cash dividend on shares which had previously been given to workers." The present prosperity of the business allows a very high dividend. Thus, taking this year's rates, by which the dividend to capital was 15 per cent., and the bonus on wages therefore 10 per cent., an employee, qualified for double bonus, with wages of £70 and shares to the value of £50, would get £14 in shares on his wages and £7 10s. in cash on his shares. If the special bonus of 5 per cent. given in 1906, to commemorate the firm's 60th year, be left out of account, 15 per cent. is the highest figure which has yet been reached; but, after two bad years in 1897 and 1898 (in which no dividend was

declared), the succeeding twelve years vary between  $9\frac{1}{2}$  per cent. and  $14\frac{1}{2}$  per cent.

These facts make us very willing to believe that the firm loses very few of its employees, and fully justify the enthusiasm of those who profit from the scheme. Mr. Taylor has reason to congratulate himself on the financial success of what must have seemed to many at the time a risky experiment. And he has no doubt experienced in his own person the value of the change in the relation between capital and labour when the sharpness of the opposition is broken down in this way. At the same time, even if profit-sharing has increased the annual profits of the business by increasing the keenness of the employees, it could hardly be argued that the amount of the increase has been sufficient to pay for the share of the profits which the employees have received. Undoubtedly Mr. Taylor himself would have been a richer man to-day if he had never introduced his profit-sharing scheme. But it is almost equally certain that the business would have been less rich and prosperous than it is, if the scheme had not been introduced. In this instance, then, profit-sharing has certainly demanded some initial sacrifice from the owner (or owners) of the original capital of the business, and it is to that extent philanthropic in character. But, on the other hand, it has brought to the business as a whole increased profits, increased harmony and stability ; in a word, it has improved the business ; and therefore, taking a long view, one may reasonably doubt whether even capital may not have gained in security what it has lost in immediate returns. In this way profit-sharing here makes good its claim to be, not mere philanthropy, but also a sound business proposition.

Looking at the matter from the point of view of the employees, it is important to notice that the benefits which they receive under the scheme are to them pure gain. It would be possible to make the benefits look greater than they are by giving a low scale of wages ; but in this case the wages of each grade of employee are, we understand, above the average rate for the industry. The workers are therefore not getting back, as bonus, money which they should have had as wages. In no other respect do they pay anything, directly or indirectly, for what they receive ; and in accepting shares in the firm they surrender no liberty which other workers enjoy. They are, therefore, better off financially by the amount of the benefit received, which, as we have seen, is considerable. But the gain is not merely a matter of the pocket. A new spirit is likely to come into a man's work when he realizes that the effect of his working harder than usual will not be simply to put more money into the pockets of people whom he may not know and with whom he may not sympathize. There is some chance that the business may become to him a corporation to which he is proud to belong



and which he is glad to serve. Occasionally something of this spirit appears already even in purely capitalist concerns ; but profit-sharing, where it is successful, must make it far more common, as it makes it more natural ; and if so, the success of profit-sharing would bring to the worker a moral gain of the first magnitude.

Considerations of this kind, and the observed success of profit-sharing, in one form or another, in many different types of business, have led some to think that this method of organizing industry offers a more promising road to the solution of the problems of industry than the alternatives of Socialism or Syndicalism. Consequently, there has been much discussion as to the limits of the profitable application of the principle of profit-sharing, the results of which hitherto have been hardly more definite than those of the parallel inquiry into the question, how far State-ownership can be extended with profit to all concerned. It is possible, of course, that each of the competing principles has its own work to do, and that each may find a place in the State which is to be. But no one can say with confidence what human nature will be capable of even to-morrow, much less a hundred or a thousand years hence ; and therefore the question of limits is always an unprofitable one. It is better to occupy oneself with difficulties of the present and ways of meeting them. When we consider them, it becomes quite obvious and requires no proof that neither Profit-sharing nor State-ownership is a panacea for all the ills which afflict us, while both may easily be of service. We have seen that the State stands to gain something from the success of Profit-sharing ; but it is worth while to inquire, on the evidence of the instance before us, what the success of Profit-sharing would mean.

In Mr. Taylor's scheme the bonus on wages is given not in cash but in shares, which must mean, of course, either that the capital of the business is increased by the total amount of bonus, or that the owners of the original shares withdraw some of their capital and transfer the shares to the employees. In either case the proportion of the total capital owned by the employees will increase, and ultimately, if the second expedient is often used, the employees might be the sole owners of the business. The process in its essence is the gradual transference of ownership to the employees, and who is to say at what point this shall stop ? Its logical conclusion is a self-employing corporation of work-people. But most of those who introduce this kind of scheme are unwilling to accept this as their ideal. They contend—and experience hitherto seems to corroborate the contention—that in most kinds of competitive manufacture a democratic organization would make impossible the secrecy, initiative, and swiftness in action and in decision which is needed for success. A compromise of some kind has therefore to be devised, if this form of profit-sharing is to be a business proposition.

It would be easy, of course, to avoid the difficulty by paying the bonus always in cash, but in that case some of the best points of the scheme would be destroyed. The only alternative is to attach some condition or qualification to the shares held by workpeople which did not attach to the original shares. It is this alternative which employers in positions like Mr. Taylor's usually, not without reluctance, adopt. The employees' shares are in all other respects shares in the ordinary sense, but in one respect they are peculiar: they give the holder no right to interfere in the management of the business. We are far from saying that this condition is unnecessary or unjust; but it is necessary to point out that it is in principle a compromise, and, like most compromises, introduces into the scheme an element of illogicality, which will be more and more apparent, as the proportion of the workpeople's holdings to the total capital increases.

The difficult problem of management thus gives the opponent of co-partnership his chance. And he will probably follow it up by pressing another unsatisfactory feature of these schemes. They would, if generally adopted, introduce a great inequality in the remuneration of one and the same grade of labour. The inequality, in fact, would be exactly proportioned to the inequality of the realized profits of the various firms employing that grade of labour. Even the formation of "combines" of gigantic size would fail to avoid this difficulty, since almost any kind of manufacture needs (*e.g.*) skilled engineers. Now *inequality* of remuneration is very soon felt to be *insecurity*, since the weekly wage comes to be taken as a minimum, and the standard remuneration (*i.e.* the sum which a man will complain if he does not get) is the wage *plus* the average share of profit in the industry. For this reason the trade unions are not as unreasonable as they might appear to be when they choose to work for a rise of wages throughout the industry rather than for a state of things in which each firm should give its employees a share of the profits.

To develop these points further would be to enlarge the subject beyond the scope of a Note. We have tried to discover not only the advantages secured by this type of organization, but also the further problems which have to be faced. Whether it will succeed in solving these problems without undergoing considerable modification in the process, may well be doubted. But there is no doubt that the numerous and very varied experiments which have been made in Profit-sharing and Co-partnership have thrown much light on the economics of industry; and that a very great debt of gratitude is owed to public-spirited employers, who, by making the experiments, have given us the opportunity of learning from their experience.

J. L. STOCKS.

LABOUR CO-PARTNERSHIP.—Co-partnership is in the air. Articles and letters abound in papers and magazines, some based upon a knowledge of what it really means, others indicative of a widespread confusion of thought as to its relation to Profit-sharing in one form or another. The Annual Meeting of the Labour Co-partnership Association at the Mansion House on May 9 was attended by many distinguished persons, and many more wrote to express regret at their inability to be present. An influentially signed memorial has been presented by members of the House of Commons to the Prime Minister in favour of a Commission on the subject, and it is understood that the Cabinet have been considering it in connexion with the present unrest in the Labour world. It is nothing new, but it has come to be recognized that there may be something in it.

What does it mean? It is quite time that some clear conception of the principle of co-partnership and of its ideals should be formed, and that an end should be put to the miscellaneous application of such terms as bonus, profit-sharing, co-partnership to all sorts of different systems.

An employer who is not satisfied with the present position and desires to do something to better the status of his employees may proceed in one of three ways.

(1) He may, of his own free will and grace, either at the end of a successful year or on the completion of any particular piece of work, make a present to them in hard cash. This is what is properly called a bonus. It is absolutely arbitrary: it may be, and probably will be, quite irregular: the employee has no claim on it at all. It is not in the bond.

(2) He may go further than this, and admit them to a share in the profits of the undertaking. The terms of the contract by which this share is secured may vary, and so may the percentage of the profits: but the point is that the share is secured, that the employee can claim it as his own, and that it does not depend on the will of the employer. This is Profit-sharing proper. In any genuine scheme of the kind the percentage of profit is clear gain to the labourer over and above his wages. If wages are reduced or privileges withdrawn to compensate the employer for what he gives, the scheme is a sham to be emphatically denounced. There have been such schemes, and they are largely responsible for the suspicion with which many working men unfortunately regard the whole principle, as is evident from the answers given to the questions as to the working of various schemes in the Board of Trade Report on Profit-sharing in 1894.

(3) He may go further still, and accept the principle of Labour Co-partnership properly so-called. Under this system all who are engaged

share not only in the profits, but in the capital, control and responsibility as well. In this case the position of the labourer is not merely improved, but fundamentally altered. Under a Profit-sharing scheme the improvement in his position is mainly an economic improvement, though it is not to be denied that even here an increase of income and a decrease of discontent will operate beneficially upon him in other ways: but under Co-partnership he is, or ought to be, a different man. Not only does he feel that he is working for himself as well as for the firm, but also that he is in a sense in part his own employer, and that every other unit in the industrial community to which he belongs is working in his interest also. His whole outlook is changed and broadened; his self-respect is increased; the prospect before him opens out, and the consciousness of possession and of success, which in spite of all that may be said to the contrary are and always will be among the most powerful springs of human action, are brought into play.

As long as all the capital remains in one set of hands, which gets all the profit, while another set, which gets none, provides the labour (neglecting for the moment the very important question of the position of managing power or ability) there must be considerable friction; but if the capitalist system is capable of such modification as to identify the two classes, to some extent at all events, by putting some of the capital into the hands of labour and inducing labour to acknowledge that capital too does work for its living, this friction would seem to admit of indefinite reduction. Labour is fighting for a share of the surplus which remains over after all the costs of production have been defrayed: Co-partnership admits the claim, which can be justified on economical as well as on ethical grounds.

It is not difficult to graft upon a Co-partnership scheme the provision for all kinds of social institutions for the benefit of the self-centred and self-contained industrial communities which are being developed, and which are something very different from a typical nineteenth-century factory. This has been done with the utmost completeness at the famous iron foundry at Guise, and well-known English firms have recently gone upon the same lines.

The 26th Report of the Labour Co-partnership Association for the year ending December 31, 1911, gives an authoritative account of the present position of the movement. Co-partnership may come about in two ways, either by the formation of associations of workmen, who themselves own the plant and own or borrow the capital, or by the transformation of existing capitalistic enterprises by the application of Co-partnership principles.

The progress of the Productive Associations of Workers continues to be slow. The number of these societies was fifteen in 1883, 77 in

1893, 125 in 1903, 114 in 1909 and 111 in 1910. The capital, trade, and profits have, however, grown considerably since 1903, in spite of the diminution in the number of societies. Want of capital, want of a secure market, scarcity of managing ability and dissension between the co-partners are probably the stumbling-blocks. Such societies are far more numerous in France: there were 498 of them at the beginning of 1911, and there seems no reason why they should not be multiplied in England in the future; but the initial difficulties are great, and it is unlikely that they will ever be developed on a large enough scale to produce a great effect on industry as a whole.

On the other hand, the application of Co-partnership principles to existing commercial undertakings is making great strides. In the Gas Trade, which undoubtedly presents some special features which are particularly favourable to such experiments, the progress has been remarkable. The example of Sir George Livesey in the South Metropolitan Gas Company has been followed with success by 35 others; 22,273 employees were working at the end of last year under agreements for either Profit-sharing, which we may regard as a stepping-stone, or Co-partnership proper: they held shares or deposits to the value of £672,479, and received £103,418 in the course of the year in dividends. This is a solid piece of achievement, even when allowance has been made for the special nature of the conditions.

There is also a growing disposition in favour of the introduction of similar principles into established businesses. Messrs. W. Thomson and Sons of Huddersfield have practised Co-partnership for 25 years, Messrs. J. T. Taylor and Co. of Batley for 20. Of the more recent schemes perhaps the most remarkable and intricate is that of Messrs. Lever, which was admirably explained and cogently justified by Sir W. Lever at a meeting of the Agricultural and Horticultural Association on June 13. Many other firms are feeling their way towards a full Co-partnership scheme, by the adoption of various forms of Profit-sharing or modified Co-partnership, and it is in the direction of the transformation of capitalism that we must look for the further progress which now seems assured. The issue of the first number of a new journal, *Profit-sharing and Co-partnership*, on June 15, marks a step in advance. This journal is intended to do in the commercial world what *Co-partnership* has for many years been doing in connexion with the Worker's Societies, and is the organ of the movement in favour of transformation. Another step was taken at an influential meeting of persons interested in the subject at the House of Commons on June 12, when those present resolved themselves into a Consultative Council, the objects of which are the active promotion of Co-partnership principles, the investigation of the causes of failure and of the conditions

of success, the giving of advice to employers or workmen who wish to make a start, and the co-operation in any public inquiry that may be instituted.

The future of Co-partnership looks bright: the system has its foot firmly planted on the first round of the ladder, but it is only the beginning, and there is much to be done. Clear views of what is intended need to be inculcated: misconceptions need to be removed: spurious imitations of the real thing must be exposed and denounced, and ungrounded suspicions must be eradicated. Co-partnership is not advocated as a universal panacea; but it is claimed, and it may be said that it is already partly proved, that it is likely to go a long way towards producing a profound change for the better in the modern industrial world.

L. V. LESTER-GARLAND.

STATISTICS AND THE THEORY OF MONEY.—In the April number of the *Economic Review*, Professor Ashley has attempted to show that the equation of societary circulation, as utilized by Messrs. Newcomb, Kemmerer and Fisher, is merely an identical proposition and lends no valid support to the so-called “quantity theory” of money. In reaching this conclusion Professor Ashley, I venture to submit, has overlooked a point of great importance. It is to this point that I propose to call attention.

The equation of societary circulation or, to use its modern name, the equation of exchange, is simply—

$$MV + M'V' = PT,$$

where M and M' are the amounts of metallic money and deposit currency in the country concerned, V and V' the velocities of circulation of metallic and deposit currency respectively, T the volume of trade, and P the level of prices. MV being very small as compared with M'V' Prof. Ashley omits this first term, and proceeds to consider the equation

$$M'V' = PT.$$

“What [Professor Fisher's] conclusion then really amounts to is that the year's payments by way of cheque varied in a manner parallel to the sum of the prices agreed to in the course of the year. Of course they must in a cheque-using country. But the fact proves nothing, as it seems to me, as to the relation of cause and effect. It is but the summation of two different kinds of evidence to the same transaction. . . . I can pay big bills because I can draw big cheques—true. But I have to draw big cheques because my bills are big.” In reply to this criticism of Professor Ashley's I would point out, however, (1) that

M' the amount of deposit currency is largely determined by M the amount of metallic currency, and (2) that P the level of prices is a dependant variable and has no power to change of itself.

Let us consider, then, the relation between M and M'. This relation, of course, will vary with the development of the banking habit and with certain other influences which have nothing to do with the quantity of metallic money. But *at any given stage of this development* the amount of M' will be a fairly stable multiple of the amount of M. This state of equilibrium is maintained by two forces. In the first place, current accounts imply a liability to pay gold on demand, and banks must therefore keep a supply of gold in case a demand for such payment were to arise. The ratio of gold to liabilities is one which will vary at different times and in different banks. Some banks are more cautiously conducted than others, and show a higher proportion of cash to liabilities; but, broadly speaking, bankers as a body will not permit this proportion to fall below a certain figure. The most daring of bankers will cease to lend when his cash reserve has fallen below a certain point. On the other hand, the most cautious will increase his loans when cash becomes abundant in his vaults. Thus the superstructure of credit cannot be indefinitely increased or decreased without any reference to the cash basis upon which it rests, but, within certain broad limits, which will vary with the state of credit and the general organization of commerce, it must depend upon and vary with the size of that cash basis.

But this argument, it may be objected, deals only with the relation between M' and the amount of cash kept by bankers, not with the relation between M' and M, the total metallic currency of the country. This is indeed true, and I propose immediately to dispose of the objection. Normally in any given country and at any given time there is a definite proportion of transactions in which cheques are used, and a definite proportion of transactions in which cash is used. "Two facts normally give deposits [*i.e.* current accounts] a more or less definite ratio to money. The first has already been explained, viz. that bank reserves are kept in a more or less definite ratio to bank deposits. The second is that individual firms and corporations preserve more or less definite ratios between their cash and their cheque transactions, and also between their money and deposit balances. These ratios are determined by motives of individual convenience and habit. In general business firms use money for wage payments, and for small miscellaneous transactions under the term 'petty cash'; while for settlement with each other they usually prefer cheques. These preferences are so strong that we could not imagine them overridden except temporarily and to a small degree. A business firm would hardly pay car fares with

cheques and liquidate its large liabilities with cash. Each person strikes an equilibrium between his uses of the two methods of payment, and does not greatly disturb it except for short periods of time. . . . Whenever his stock of money becomes relatively small, and his bank balance relatively large, he cashes a cheque. In the opposite event he deposits cash. In this way he is constantly converting one of the two media of exchange into the other.”<sup>1</sup> This ratio of cash transactions to cheque transactions, *i.e.* the ratio of  $MV$  to  $M'V'$ , may be altered by the extension of banking facilities and by the growth of the cheque habit, but, in the absence of such outside changes, the ratio will remain unaltered. We may say, then, that

$$M'V' = aMV \text{ (where } a \text{ is a constant).}$$

Let us further suppose that the ratio of  $V$  to  $V'$  remains unchanged. In any case this ratio of  $V$  to  $V'$  must be a very slowly changing quantity. Then we get—

$$M' = bM \text{ (where } b \text{ is another constant).}$$

That is to say, the amount of deposit currency will, at any given period of commercial development, bear a fixed ratio to the amount of metallic currency in circulation. This fact, I think, disposes of Professor Ashley's supposition that big cheques may be the *consequence* of big bills due to high prices. If this were true it would be equally true that big money payments are the consequence of high prices. But such a conclusion would be obviously false. Money payments can only be increased through an increase of  $M$ , the amount of cash in circulation, or of  $V$ , its velocity of circulation. A rise of prices cannot increase either of these quantities. As regards  $M$ , indeed, a rise in prices would tend rather to check any increase, than to hasten it. We may state, then, that an increase of cash transactions cannot be caused by a rise of prices; and, since the volume of cheque transactions is dependent upon the volume of cash transactions, we may state also that neither can an increase of cheque transactions be brought about by a rise of prices. Of course the equation of exchange *as it stands* is merely an algebraical truth; but, when considered in the light of the relations which subsist between its various terms, it becomes something far more than an identical proposition.

D. A. BARKER.

CURRENT ECONOMIC PERIODICALS.—The *Economic Journal* for June begins with Professor Tschuprow's "Break-up of the Village Community in Russia," in which the effects of the Imperial Decree of 1906

<sup>1</sup> Irving Fisher, *Purchasing Power of Money*, p. 50.



are discussed, and suggestions made for dealing with the problem. Professor Edgeworth has the third of his articles on the "Theory of Railway Rates." A stockbroker, writing on the "Depreciation of British Home Investments," concludes that exceptional competition and the withdrawal of capital for export are mainly responsible for the depreciation. Other articles are "Economic Changes in the Textile and Dress Industries of the United Kingdom," by A. G. Doubt, and the "Rise and Fall of the Indigo Industry in India."

In the *Church Quarterly Review* for April, under the title "The Problem of the Elementary Schools," the Bishop of Colchester discusses various schemes recently put forward to provide a basis for future education Bills which may solve the religious question, and expresses his hope that substantial agreement will ere long be reached. Mr. Archibald J. Allen states some of the facts concerning the commercial character and large profits of what is known as the "White Slave Traffic," and appeals for a stronger public opinion against the evils involved.

The *Irish Church Quarterly* for April contains an anonymous article maintaining that the power of Rome in Ireland will be increased if the Home Rule Bill becomes law. As frequently, there is no article on social or economic subjects such as those which are a constant feature in the *Church Quarterly Review*, the *Irish Theological Quarterly*, and the *Hibbert Journal*.

In the *Irish Theological Quarterly* for April is a very interesting account of the practical philanthropy and economic theories of St. Antonino, the famous fifteenth-century Archbishop of Florence.

There are three articles on social and economic subjects in the *Hibbert Journal* for April. In discussing "The Right to Strike and Lock-out," Mr. Robert A. Duff anticipates that legislation to prohibit strikes and lock-outs and to establish compulsory arbitration may be necessary. Mr. Joseph McCabe gives a negative answer to the question, "Is Civilization in danger?" He describes the English divorce law as "abominable" because it does not allow divorce for other causes than adultery, and expresses his "satisfaction" at the fall in the birth-rate. Mr. S. P. Grundy explains "What Public School Men can do" as their special contribution to "Social Service." In the "Discussions" the alleged "corruption of the citizenship of the working man" is considered further.

The April number of the *Eugenics Review* fairly bristles with controversial questions. For instance, Major C. C. Hurst, on "Mendelian Heredity in Man," Major Darwin on "First Steps towards Eugenic Reform," Mr. E. J. Lidbetter on "Nature and Nurture," and Dr. A. F. Tredgold on "Marriage Regulation and National Family Records."

The *Local Government Review* for March has articles on "The Basis of Local Taxation" and "The Control of Municipal Expenditure." The April number contains a very favourable critical review of Dr. Cannan's book on our Rating System, and a negative answer is given to the question, "Is a Traffic Board for London necessary?"

There are several technical articles in the *British Journal of Inebriety* for April dealing with "Alcoholism and Problems of Growth and Development" by Hastings Gilford, "Neuro-Psychoses in Inebriety" by T. D. Crothers, and "Inebriety and Criminality" by R. Firth Quinton, which argues in favour of longer detention of inebriates.

The *Socialist Review* for April has an article by Bruce Glasier on the Miners' Strike, advocating nationalization. Keir Hardie writes about the French Socialist Party, deprecating "erratic movements" like Syndicalism. There is also an account of "The Catholic Socialist Movement in Britain."

The first number of a new Irish quarterly with the title of *Studies* appeared in March, and contained the following articles: "The Meaning of Evolution," by A. J. Rahelly, "The Gallican Church and the National Assembly," by J. M. O'Sullivan, "Hedonism," by J. E. Canavan, "Tradition in Islam," by J. E. Power, "Athenian Imperialism," by J. M. Murphy, "Newman's Ideals and Irish Realities," dealing with Irish University Education, by T. Corcoran, "The Development of the Supreme Judicature in Ireland," by J. A. Murnaghan, and "The Future of Private Property," by T. M. Kettle. The tone of the Review is strongly Roman Catholic.

In the *Clare Market Review* for May, Dr. A. Wolf, in a paper on "Anti-Rationalism," attempts to calculate the extent to which individuals are influenced by reason and impulse respectively in the determination of public questions. Miss M. C. Buer briefly considers the effect on the middle classes of the sudden accession of wealth at the Industrial Revolution. Messrs. Burnett-Hurst and Horwitz describe the internal working of the Census Office.

The *Quarterly Journal of Economics* for May contains articles on

the "Regulation of Railway rates under the Fourteenth Amendment," "National and District Systems of Collective Bargaining in the U. S.," "The Powder Trust, 1872—1912," and "Taxation in China." The last, by E. T. Williams, estimates the imperial revenue at a total of £32,390,000, made up as follows: Land and Grain Tax £6,240,000, Imperial Maritime Customs £4,680,000, Native Customs £800,000, Likin £5,590,000, Salt gabelle £7,410,000, Grain tribute £2,730,000, and miscellaneous £4,940,000. Prof. Taussig reviews Prof. Moore's *Laws of Wages*, in a kindly but destructive manner, and Prof. Carver discusses Nordau's *Interpretation of History*.

The *Annals of the American Academy of Political and Social Science* for March is devoted to a symposium on country life. The twenty-six papers fall into three groups—the rural problem, rural and industrial problems, and rural social problems. The work of the U. S. Board of Agriculture is also described.

In the *Journal of Political Economy* for March, A. D. Noyes discusses the pacific influence exerted by financial interests, with special reference to recent Anglo-German relations, and R. F. Hoxie contributes some statistics of Socialist progress in the elections of last November.

In the *Revue Economique Internationale* for March Jacques Bardoux compares the prosperity of three British "free-trade industries," coal, cotton, and shipping, with that of three "protected industries," chemical products, wool, and iron and steel. Kotaro Mochizuki describes "The Actual Condition of Japanese Finances," and Maurice Lair writes on "The Dearness of Life and French Agriculture."

"Pour les Jeunes Filles Isolées" is the title of four articles by Georges Risler in *La Reforme Sociale* from February 16 to April 1. Other subjects dealt with are "Les Forces Ouvrières," "L'Emigration Chinoise," a comparison between French and German Industry, and a study of the increasing cost of living.

In the March issue of *Le Mouvement Sociale* H. Cetty blames the National Liberal Party for the Socialist successes in the recent German elections. There is also an interesting study of the Referendum by A. Souriac. The articles on Agrarian Socialism are continued by E. Lacombe.

The March *Annales du Musée Sociale* has an interesting account of "Les Laitières co-operatives en France," by Louis Tardy. There is an

article in the *Mémoires* by A. de Fontgalland on the general prosperity of agriculture in France, which he attributes to education and co-operation. The great difficulty is the exodus, especially of young women, to the towns.

A. Lugan writes in the February issue of the *Revue Sociale Catholique* on the Christian "Law of Labour." In the following number E. Vliebergh describes the proposed Dutch law for establishing small holdings among agricultural labourers. An article in the April number throws some light on the recent Belgian elections.

In *La Revue Générale* for March and April, E. van der Smissen writes on "L'Evolution de la Constitution Anglaise," suggesting that the Parliament Act has upset the equilibrium of the Constitution. An article on "La Cherté de la Vie" by L. de Lichtervelde treats of the four main causes of the rise in prices.

The *Giornale degli Economisti* for January contains a study by G. Mortaira of the Italian mortality figures in connexion with insurance. Other papers deal with technical questions of State finance and book-keeping.

There is an article on home colonization in the *Rivista Internazionale* for March, which discusses the advantages of intensive cultivation in Italy, and the means which might be adopted by the State to promote this.

In the February number of the *Ekonomisk Tidskrift*, F. H. Brock advocates the taxation of Consumers' Societies in Sweden. Other articles deal with the manufacture of spirits in Sweden and the Australian System of land taxation. The March number has an article on "Capital and Simple Interest," by Sven Brisman, mainly a criticism of Professor Wicksell's opinions.

*The Nationalökonomisk Tidskrift* for January and February contains statistical articles on Danish taxation and forestry, and a description of the "Middle Class" policy of social reform in other countries.

## LEGISLATION, PARLIAMENTARY INQUIRIES, AND OFFICIAL RETURNS.

YEAR by year the reports of the Board of Education show a steady and satisfactory progress in the conception of the true purpose of education. No longer is a child turned out from the elementary school equipped for life's battle with innumerable facts and dates in history to which he has been taught to cling as to something vital, or prepared to work out small sums in arithmetic according to rule, provided they are not in the nature of practical problems. Proficiency in reading does not now mean the more or less correct pronunciation of the words in a short paragraph taken at haphazard, but the intelligent grasp of the matter in hand. History is taught by word pictures and dramatization, and, where possible, nature is studied at first hand. The spirit of inquiry, so natural to youth, instead of being rigorously suppressed, is fostered and encouraged, and attention is paid to the cultivation of special talents in individual children. The *Report of the Board of Education for the Year 1910-1911* (Cd. 6116, 166 pp., 8½d.) continues the interesting survey of elementary education which was commenced in the Report for the year 1908-9, the special matter dealt with this year being the changes in the curriculum of Public Elementary Schools. Part II. of the report consists of five sections, dealing with elementary and secondary schools, the education and training of teachers, technical schools, schools of art and other forms of further education, and with the Board's examinations in science and art, including a review of the work of the Science Museum, of the Geological Survey and Museum, and of the Solar Physics Committee.

As an outcome of questions asked in the House of Commons with reference to Canadian and other laws affecting labour disputes in the Public Utility Service, the Board of Trade has issued a *Memorandum on Laws in the British Dominions and Foreign Countries affecting Strikes and Lock-outs* (Cd. 6081, 162 pp., 1s. 5d.). The legislation varies greatly in character, the difference turning largely on its general scope and aim, on the machinery set up and penalties imposed, and their bearing upon what are known as "public utility services," an expression for which no exact definition exists. Thus, in addition to the services of

water, gas, and electric lighting, public locomotion, transport and communication, the Canadian Industrial Disputes Act includes mining as being of prime importance to the community. "Necessary commodities" is the term used in the New South Wales Industrial Disputes Act, and this term includes coal, gas for lighting, cooking or industrial purposes, water for domestic purposes, and articles of food, the deprivation of which may tend to endanger human life or cause serious bodily injury. In New Zealand, under the Act of 1908, certain "specified industries and occupations" are subject to special conditions. Included in these industries are those engaged in the supply of coal gas, the production or supply of electricity for light or power, the supply of water to the inhabitants of any borough or other place, the supply of milk for domestic consumption, the sale or delivery of coal, whether for domestic or other purposes, and the working of any ferry, tramway, or railway, used for the public carriage of goods or passengers. In Russia the definition has a wide application, and includes "all undertakings having a social or governmental character . . . if the suspension of the work of the employees or workpeople threatens the security of the State or gives cause for fear of a national calamity." In these cases strikes and lock-outs are illegal. In Holland, the legislation prohibiting strikes is limited to the main lines of railway service; while in Belgium all persons employed by the State are included, such as those engaged in the railway, postal, telegraph, and telephone services.

The Acts of New South Wales and New Zealand, although applying special penalties, differ from those of foreign countries in that their special aim is industrial peace, while the object of foreign legislation is rather to ensure the provision of what are regarded as necessary services. In the Dominions, before the adoption of restrictive legislation, the legal right to take combined action prevailed wherever the relationship of employer and employed existed, whether in the public utility services or not, but the employees of the public services were generally controlled by special measures granting certain privileges and imposing special obligations of discipline and obedience. No statutory limitations of the right of combined action were, however, imposed by these special measures, such limitations as now exist being found in the industrial legislation dating from the year 1896. Moreover, these are imposed in four cases only—New South Wales, New Zealand, Canada, and the Transvaal; and in each case the limitations are imposed by Acts with a wider application, and which not only impose penalties for lock-outs and strikes occurring under certain conditions, but set up machinery for the settlement of industrial disputes; and in New Zealand, Western Australia, New South Wales, South Australia, and Tasmania "the characteristic illegality of a lock-out or strike is contingent on the

contemplated or actual fixation of wages and other conditions of employment." The characteristic illegality in Canada and the Transvaal is different. In these states the Acts only extend to the investigation of the grounds of industrial dispute and reporting thereon. It is only pending such investigation and report that the strike or lock-out is illegal.

The Report divides Dominion legislation under two main heads—that in which legal compulsion is used for the observance of prescribed conditions of employment as regards wages, etc., and that in which no legal compulsion exists. Of the first class there are three sub-divisions: (1) that in which disputes are settled by a legal tribunal—an Industrial Arbitration Court; (2) in which Boards composed of employers and workmen are appointed, with an independent chairman; and (3) in which a combination of the two methods prevails. No general conclusions as to efficiency have been drawn, since such conclusions would require more exhaustive knowledge than is available.

Of the nine foreign countries dealt with, five, viz. Russia, Roumania, Holland, Belgium and Italy, have passed laws absolutely forbidding workmen employed in certain public utility services from engaging in strikes. Spain, Portugal, and the Ottoman Empire have enacted laws applicable to all public utility services, which declare the cessation of work illegal unless certain conditions have been previously fulfilled, such as that a specified number of days' notice should be given, with a statement as to the cause of the strike or lock-out. In France the only persons employed in public utility services incurring legal penalties are engine-drivers, guards and brakesmen actually in charge of trains, and the outdoor staff of the postal service. Two countries, Germany and Austria, by discountenancing militant trade unionism as far as the railway, postal, and allied services are concerned, practically render strikes impossible.

As a result of the Report of the Committee of Medical Officers appointed to inquire into the conditions of working for telephonists a *Circular Instruction to Post Office Surveyors, Heads of Departments, etc.* (Cd. 5976, 45 pp. 5d.), has been issued with a view to the amelioration of these conditions, and to prevent as far as possible the ill-effects peculiar to telephone operators. The recommendations contained in the Instruction, covering most points of complaint, although not of a radical nature, should, if carried into effect, go some distance towards the removal of unpleasantness in working and procure an improved condition of health among the staff. The most important recommendations are with regard to the arrangement of duties. Alternate days of long and short duty are to be done away with, and the intervals between split duties are to be made as short or as long as possible, thus ensuring some time for recreation. Pending the transfer of the National

Telephone Company's staff to the Post Office, the question of the number of hours to be worked per week is held over.

Amongst other alterations are the improvement in construction and reduction of weight of the receiver and transmitter, the provision of sick-bays and rest-rooms, the introduction of a new type of chair, and an arrangement for supervisors to be employed for some part of their time on duties which permit of sitting down. Finally, the attention of medical officers is to be called to the necessity of excluding from the service candidates showing pronounced signs of nervous instability or anæmia (as distinguished from the ordinary anæmia to which a large proportion of girls are subject), and the remedying of certain eye defects by the use of proper glasses.

The Instruction contains a copy of the report of the Committee of Medical Officers.

A marriage between persons of different nationalities which turns out to be no legal marriage at all has been the theme of many a romance, and unfortunately also the foundation of many a tragedy in real life. It behoves therefore a paternal government to do everything in its power to prevent catastrophes of this kind, and one of the most obvious ways is to circulate information as to the differences in the marriage laws of various countries. From time to time a blue book on the subject is published in this country; which should certainly be consulted by any person about to marry a foreigner. In *Laws relating to Marriage in force in Certain Foreign Countries* (Cd. 5993, 337 pp., 2s. 9d.) is set forth all the important points of the marriage laws of the principal countries of the world, and in particular full information is given as to whether British consular officers are permitted to solemnize marriages in the foreign country, and whether marriages so solemnized are there recognized as valid; what special formalities are prescribed in the case of British subjects desiring to marry in a foreign country, and also in case of subjects of the foreign country desiring to marry British subjects in the United Kingdom.

In continuation of a previous report on Comparative Histological and Bacteriological Investigations, by Dr. Eastwood, Volume V. of Part II. of the *Final Report of the Royal Commission appointed to inquire into the relations of Human and Animal Tuberculosis* (Cd. 5975, 344 pp., 4s. 9d.) contains further details of changes produced by bovine and human viruses in the tissues of experimental animals. In addition descriptions are given of animal tissues infected with mammalian tubercle bacilli isolated from swine, horses, a gnu, and an antelope. The histology of various species of animals experimentally infected with avian tubercle bacilli is also dealt with. The volume is illustrated with sixteen plates by Mr. J. R. Ford.

J. L. DOUGAN.



## REVIEWS.

**THE DISTRIBUTION OF INCOME.** Being a Study of what the National Income is and how it is distributed according to Economic Worth. By WILLIAM SMART, M.A., D.Phil., LL.D., Adam Smith Professor of Political Economy in the University of Glasgow. [xix, 345 pp. Cr. 8vo. 3s. 6d. net. Macmillan. London, 1912.]

In the preface to the second edition of this well-known work, Dr. Smart explains that subsequent study and experience—including three years' work on the Poor Law Commission—have not led him to make any change in the substance of his argument, but only confirmed him in his conviction of the soundness of its central thesis—viz. “that the principle which rules in and explains the distribution of wealth is that of payment according to the ‘economic worth’ of the factors which produce the wealth.” At the same time, he admits that he is less satisfied than he was with “the issues of our system.” “A distribution may justify itself on purely economic grounds, and may yet leave much to be desired.” The very efficiency of a system that depends upon an exact and exacting “equivalence between service rendered and payment” has the defect of its qualities: the machine has become too fit for the man: in the competition between the human and the “capital factor,” “the human factor, as a whole, may not be keeping its place.” Nor can all those who fail to find their place in the machine be regarded as “unemployable.” If the majority are unemployable “by their own fault,” a large proportion of the rest, on the other hand, are unfitted by training and environment for anything better than casual labour. The moral is that the only way of escape is not to turn back or overturn “the fine fabric of efficient industry,” but to recognize the situation and fit every man to take his rank in the army of industry—a method that involves “adding years” to the compulsory education of the young generation, “letting the inefficient die out.”

To readers of the *Economic Review*, it might appear as if Dr. Smart's solution is rather too simple to be adequate. Its apparent simplicity is really due to the simplicity in the author's statement of “the

situation." Dr. Smart has in fact by his "argument" already simplified the problem to be solved, and the validity of the argument itself must be tested not only by the assumptions it makes but even more by what it omits. That there is a principle in the present distribution of wealth—that it is not altogether "chaotic" or indeed "arbitrary"—may be freely conceded: but Dr. Smart seems to be too much fascinated by the "economic harmonies" of the present distribution of wealth conceived as—in theory it is—a "distribution according to service," that he seems to do less than justice to the discord and the disorder which is quite as characteristic an aspect of the modern industrial system as its harmony and order.

It is true that Dr. Smart, in spite of the brave words of his new preface, still continues to express something like "hesitation" if not actual misgiving. He has indeed a curiously tentative way of stating his conclusion. After dealing with "the stumbling-block of rent" and other obstinate factors, he concludes:—"When all these considerations are given their due weight, it seems to me that, given private property, the free transfer of property, and the inequality of start which the possession of two factors of production or of a differential factor gives; there is a good deal to be said for the present distribution as a distribution according to service." A somewhat lame if indeed rather impotent conclusion, some of his readers may be inclined to think. They may also well ask themselves whether Dr. Smart has really attempted to measure or to estimate the strength of the "pull" which is given under our modern industrial system to these powerful factors, or whether he is justified in concluding that a system which operates on a basis of unequal opportunity is the best of all possible economic worlds. It is at best only a "rough justice" that Dr. Smart in the end claims for the present distribution of wealth. But it is the roughness of the justice which is the point at issue.

As a matter of fact, however, Dr. Smart has only been able to satisfy himself that "there emerges something curiously like a rough justice in the distribution" by interpreting the whole question of the unequal distribution of wealth in terms of "individual justice"—and that in spite of the fact that as a "disciple of Plato" he can on occasion rebuke those who "know not Plato"—by operating almost throughout with an individualist point of view. The result is that in giving such an exclusive attention to the "harmony of individual interests" he leaves almost out of account the claims of society, as an organic whole, expressed through the State. The unit of measurement which Dr. Smart applies to the question of the "badness" or "injustice" of the present distribution is throughout the individual, conceived simply from the

standpoint of natural or private right : the real measure is the common good.

It is significant, for instance, that Dr. Smart appears to regard Trade Unionism as the last word of industrial democracy, and that he is continually measuring one abstraction against another—individualism against socialism, both of which are regarded as systems rather than principles of industrial organization. The result is seen in a comparative failure to recognize the significance of a “justice” which, it may be said with truth, “has been realizing itself” in the community as shown in the growing sense and fact of the co-operation between the community and the individual—and moreover in directions covering much more ground in principle and in range than that of enabling the young generation to hold their own in the industrial machine, or even than that of adding to the “unassessed income” of individuals all that comes from public provision of “goods” or a “general reconstruction of environment” (pp. 74, 75). In regard to the last point, Dr. Smart seems to be curiously misled and misleading in his assertion that “in any of the popular schemes of distribution, it is the money income alone (and the real income it represents) which is thought of, and that little account is taken of the great increase in communal wealth which is not distributed,” unless emphasis is to be laid upon “popular.” Dr. Smart, in his turn, takes little account of the enlarged economic activity of modern states that seems to be demanded by the “perfected machinery” of modern industry.

Dr. Smart wishes it to be understood that he is offering “not an apology for unequal distribution, but an explanation of it.” But he is surely claiming a great deal for his explanation when he asserts that “in showing that incomes are determined not by force, or fraud, or privilege, or custom, but by ‘economic worth,’ it shows up the shallow charge of ‘exploitation.’” The best commentary upon the analysis of the present distribution of wealth which Dr. Smart presents to us is to be found in such a study of the structure and working of the modern business world as is made in Mr. J. A. Hobson’s treatise on *The Industrial System* or his smaller volume on *The Science of Wealth*. The two writers lay different emphasis upon different factors, and may be profitably compared. Either of them makes a notable advance upon the somewhat facile results of purely individualist or purely socialist sketches of the industrial system that exists.

No attempt has been made to appreciate Dr. Smart’s argument as a whole: for one thing it depends on its details, for another it has been already noticed by the present writer in the *Economic Review*, and it is or should be familiar to all students of social economics. Dr. Smart boldly faces the danger that in “following the argument whither

it winds " he may find himself relegated to the rank of the " high and dry " economists. How dreadful such an imputation may be, it is not perhaps permissible to say ; but it is certainly one to which Dr Smart is, of all economists, the least exposed.

SIDNEY BALL.

**SOCIAL EVOLUTION AND POLITICAL THEORY.** By LEONARD J. HOBHOUSE, Professor of Sociology in the University of London. [218 pp. Cr. 8vo. 6s. 6d. net. Columbia University Press. New York, 1911.]

This stimulating book consists of lectures given in America, somewhat amplified and amended. It deals with such questions as the meaning of " Evolution," how far there is any real " Progress," and the various efforts that are made for the improvement of things in general. " Evolution " is described as any development of Society, while " Progress " is limited in its application to those qualities to which we can attach some rational value. The so-called Darwinian theory of evolution was applied too literally, and enabled people to find a soul of goodness in things evil, as, for instance, in the death rate by tuberculosis. From this point of view, the one chief offender against progress is the unscientific person who tries to save the lamb from the wolf. Brutally put, " Natural selection works for progress ; mutual help for destruction." If this were true, it follows that the fittest to survive (by natural selection) are also the best, and that ethical standards must not be imported into the discussion. But, in fact, it is the social type that inherits the earth. Man, the co-operator, is stronger than animals with less capacity for mutual organization. And, as the Professor sums up this section of his book, " Progress is social, not racial."

How far does the theory of Eugenics find a place ? Its value is mainly negative. We are unable to produce higher qualities directly by breeding. And though we can limit the reproduction of certain types, we must be sure of two things in trying such an experiment :—first, that the class of persons is so vicious that its elimination would be a net gain ; and secondly, that the particular defects of this class are irremediable. Take, for example, the case of the feeble-minded. They need social support, and consequently may have to submit to social restraint. But some of the schemes put forth in the name of eugenics are much too drastic in their scope. In general, the position of Professor Hobhouse towards eugenics is that of a very critical yet kindly friend. With its wilder claims he has no sympathy.

The need of a social philosophy is well brought out in the chapter on "Social Harmony and Social Mind." Progress must be found in some kind of life. Choice must be made between the varying kinds; and there is no room for a mechanical determinism.

In the chapter on Morphology, the difference between Spencer's descriptive formula for Evolution and Darwin's causational theory is well described. And it is shown that our study of social evolution gains more from the method of comparison than by mere description. In dealing with modern as compared with ancient States there are perhaps traces that the author is a little too sure of the more democratic character of present-day communities. It might be argued that public opinion in Athens would have checked the ill-treatment of a slave or Metic a great deal more quickly than the tardy operation of public opinion in America in regard to the iniquities of child labour. But otherwise, the comparison is very instructive, particularly in regard to the small area of "civilization" in ancient as compared with modern times. And indeed the ever-widening scope of social reforms to-day suggests possibilities of State action that would have surprised Cobden or Bright. Liberty, after all, needs State control to make it possible for the weak as well as for the strong. And now that State action represents the deliberate purpose of the majority of the citizens, it is much more free from the old demoralizing effects. We may therefore welcome Professor Hobhouse's belief that "Social Progress is the reorganization of Society in accordance with Ethical Ideas."

C. E. M. FRY.

**LA SYNTHÈSE ÉCONOMIQUE.** Etude sur les lois du revenu. Par ACHILLE LORIA, Professor à l'université de Turin. Version française par CAMILLE MONNET. (Bibliothèque internationale d'économie politique. [520 pp. 8vo. 12 francs. Giard and Brière. Paris, 1911.]

There are more people in this country who can understand French than there are that can read Italian, and therefore a French translation of Professor Loria's work is likely to be welcome. The author's name vouches for original thought and able exposition.

The line of the author's argument is this. Man is created in isolation and therefore as an individualist, not combining for joint labour with or under others, not caring to do so, but just living in conscious enjoyment of his full freedom on what bountiful Nature supplies for him. So far as he cultivates, he cultivates only the most fertile patches of his country. In course of time that country overfills with population. He is compelled to betake himself to less fertile districts. At this

point "income" (*revenu*)—which the author makes the "leitmotiv" of all his argument—ceases to correspond to the measure necessary for "subsistence"; and our man is driven by dire necessity into "forced association of labour." Now property or capital comes in with its superior power. None of the arrangements thus far made for associating interests in "forced" labour combination are fully satisfactory, even when, as happens under stress of scarcity of hand labour, "labour" obtains more "income" than is required for subsistence. It becomes difficult to tell where "distinct" income ends and "indistinct," or mixed, income begins. The proper solution of the economic problem Professor Loria finds in "free associations," of which as yet we have only the beginnings.

Of course the tale is not as simple as this brief summary may probably suggest. There is a great mass of detail, there are *nuances* and there are entanglements, on which the author's wide reading and learning enable him to say a great deal that is highly interesting and most instructive. If there is any one point in all this to which objections may be raised, it is that Professor Loria quotes very indiscriminately authorities of the most varied degrees of merit, as if they were all of equal value. By such means he is betrayed into statements which are to-day the least contestable. For instance, he accepts at the hand of some one of whom the world has never heard the assertion that English people, who have taught the world co-operation, are averse to co-operation. And, again, that Celts are difficult to be made to co-operate—when, in truth, in agricultural co-operation we find that our Irish and Welsh Celts excel far above the Saxon English in their ready acceptance of the idea of common enterprise, and almost spontaneously arrive at understanding it. And the Celtic Bretons are not a bad match to them. The Celts themselves trace the root of their understanding of co-operation to their old Breton laws.

There are some other points which are likely to provoke comment. Labour in the various gradations is not everything. Capital begins at some point. And it is not really the "fertility" of the soil that makes Southerners so contented with their poorly fed isolation. For in money valuation northern acres often produce more. It is the climate which enables them to do with a minimum of clothing and nourishment, and bountiful Nature which encourages them in improvidence by providing for their bodily wants all the year round. Under northern skies men have to lay by for winter. And so forethought and providence begin. Idle as we are by disposition, we appreciate the advantages of possessing something. Nor is primitive "isolation" universal.

No one, however, will quarrel with the general idea threading its way through this learned work, viz. that, like "the Law" in matters

religious, "forced co-operation of labour" is "the schoolmaster," which through rather painful schooling leads him up to a more perfect state of things, in which, under "free association" every one is ensured the full reward of his labour, in full and peaceable possession. The author's remarks upon the superior productiveness of subdivided exploitation of land cultivated with the help of combined effort, which we call "co-operation," are particularly opportune and to the point at the present time. He is able to quote a leading German Socialist in support of his praise of such divided and therefore "individual" possession.

HENRY W. WOLFF.

**BANKING REFORM IN AMERICA.** The Purpose and Origin of the proposed Banking Legislation. Three Addresses by Hon. A. PIATT ANDREW, Assistant Secretary to the Treasury and Special Assistant to the National Monetary Commission. [50 pp. 8vo. Boston, 1911.]

The subjects of these three addresses are respectively :—First, "What America can learn from European Banking," an address delivered before the American Academy of Political and Social Science at Philadelphia, December 8, 1910; secondly, "The Essentially American Sources of the proposed Banking Legislation," an address delivered before the Indiana Bankers' Association at Indianapolis, October 24, 1911; and thirdly, "The relation of the National Reserve Association to the Treasury," an address delivered before the American Bankers' Association at New Orleans, November 21, 1911.

Mr. Andrew opens his first address, which is the most interesting to outsiders at any rate, with a description of the condition of affairs in the United States during the crisis of 1907. "There were no less than 25,000 banks in the country," he remarks, "but the majority of them had suddenly curtailed the facilities which they usually extended to the public. It was in the autumn months just as bountiful crops, vastly exceeding in amount those of any other country in the world, were being brought to market, but on account of the peculiarities of the banking system these crops could only be marketed with the greatest difficulty and at a heavy loss. The 25,000 banks were so singularly unrelated and independent of each other that the majority of them had simultaneously engaged in a life and death contest with each other, forgetting for the time being the solidarity of their mutual interest and their common responsibility to the community at large. Two-thirds of the banks of the country had entered upon an internecine struggle to obtain cash, had ceased to extend credit to their customers,

had suspended cash payments and were hoarding such money as they had. What was the result? During a season when nature was offering plentiful harvests, farmers and dealers in produce were refused credit to handle their crops at the very moment when credit was indispensable, and when they had every reason to expect that it would be granted. Farm products had to be sold under pressure and often at great loss. The owners of factories which had hitherto been working overtime were, for a similar reason, obliged to force collections, reduce their working force, and lessen their output. The jobbers demanded immediate payment, and the retailers called for settlement from their customers. Merchandise, machinery, and raw materials had to be sacrificed, and all kinds of property, even real estate, shrank to a fraction of its former value. Railroads which had been running to their utmost capacity suddenly found themselves burdened with idle cars. Thousands of men were thrown out of work, thousands of firms went into bankruptcy, the trade of the country came to a standstill, and all this happened simply because the credit system of the country had ceased to operate."

"Some one," he remarks in another striking passage, "has compared our method of holding bank reserves to the mediæval system of fire protection in which every one of many thousand families in a large city kept its own cistern of water, and the crude futility of that system in suppressing an incipient blaze has been contrasted with the effectiveness of the modern system in which the whole city's supply of water is pooled in a common reservoir, connected by conduits with every part of the city. Under the mediæval system there is no possibility of mobilizing the supply for the relief of a particular situation, whereas under modern conditions the aggregate reserves are made available for every locality, and can be effectively used to extinguish a local blaze before it becomes a general conflagration."

The eligibility of a one-reserve as compared with a many-reserve system was, a few years ago, even in this country, much in controversy. So eminent an authority as Mr. Bagehot declared in theory for the many-reserve system. Under it, he conceived, more cash would be likely to be held against liabilities than under our one-reserve system. He recognized, of course, at the same time, that our system was, for us, past the possibility of change. It does not seem, however, that even in theory his view is reasonably sustainable. There was no period during the crisis of 1907 when the percentage of the cash held against liabilities in America was not in the aggregate more than double that which was similarly held in this country at the same time; yet we only felt as a faint and distant tremor the earthquake that shook business to its foundations there.



The key to the situation lies in the discovery gradually arrived at during the European panics of the nineteenth century that the "expansive method," as it is called, is the only one that can be pursued with any reasonable possibility of success in times of monetary crisis. When there is a general run on the banks of a country the natural course is for each bank at once to take steps to strengthen its cash position, and this it is certain to do although, to achieve that end, it has to refuse accommodation even to customers who come provided with the most unexceptionable securities. Should this course, however, be widely pursued for any length of time, nothing can prevent the drain of cash from becoming so urgent and so universal as to bring about in the end a general suspension of payments. It seems paradoxical enough to hold that, in such circumstances, cash must not be hoarded but must be paid out freely, but the necessity of such payment out has been proved abundantly by experience. The practical question is how to stop the tendency to hoard and to bring about the liberal extension of accommodation in its place. Our own joint stock banks, no less than the American banks, would, in a crisis, be certain to think first of strengthening each its own position. In these circumstances with us, however, the Bank of England steps in and proceeds to act on the principle of holding that every bill which would be regarded as a good bill in ordinary times must be regarded as a good one still, and must be discounted accordingly. When the business world can feel that the ordinary accommodation is to be had without fail even though a high price must be paid for it, the rising panic, as it has been remarked, will usually be found "to vanish like a dream." Incidentally such a fact suggests the reflection how completely psychological at bottom are the phenomena of money and credit, and how restricted is the bearing upon them of any quantitative consideration.

In spite of the existence in America of innumerable independent banks each holding its own reserve, banking developments there have already very distinctly recognized the necessity of a resort, in as far as the circumstances make it possible, to the one-reserve system. In the case of a crisis the first thing that the banks of any of their great cities do is to take steps to pool their reserves. It was done first in 1860. Professor Dunbar has described for us succinctly the process. "The banks agreed that, for the purpose of enabling them to expand their loans, the specie reserves held by them should be treated as a common fund, and, if necessary, should be equalised among the banks by assessments laid upon the stronger for the benefit of the weaker, and that for the purpose of settling balances between the banks, a Committee should be appointed with power to issue certificates of deposit to any bank placing with them adequate security in the shape

of stocks, bonds, or bills receivable, and that these certificates should be received in payment by creditor banks. The effect of this arrangement was that any bank which experienced an unusual demand for specie would be supported by the whole of the common stocks, and that the debt to the others which it thus incurred, could be met by a pledge of its securities. Whatever course might be taken then, any bank was as strong in specie as any other.”<sup>1</sup> The Clearing House, in short, was converted into a central bank for the occasion.

The above described method was frequently resorted to since 1860, and in several panics of more or less importance it met with a fair measure of success in allaying public apprehensions. It was resorted to, of course, in 1907. We have seen, however, how indifferent was the success that attended its operation then. The reason for this was twofold. In the first place, it was not available at the start of the panic, and expedients that might be adequate to the extinction of the fire at its beginning were unavailing when the whole street was ablaze. In the second place, its operation was local only. It was possible under it to pool the reserves of each city, but there was no machinery for concentrating into one cistern the reserves of the whole country, as the great European banks concentrate them for England, or France, or Germany.

The project of the banking reformers is to use this Clearing House system as a foundation on which to build machinery of kindred purpose but of a permanent character. They have, of course, to consider not only what is the ideally best system, but also what sort of system American sentiment will stand. Instead of proposing the establishment of a central bank therefore, they propose the constitution of a body to be chosen ultimately by the 25,000 banks of the country, and to be called the National Reserve Association. Its Governor will be appointed by the President from a list submitted by the banks. It will do permanently and universally what was attempted to be achieved temporarily and sporadically by the Clearing House system. It will thus be possible to represent it as a system of indigenous growth, a matter of no small importance in attempting to secure its acceptance by the Legislature and the country. At the same time, the Association will undertake most of the functions entrusted among ourselves to the Bank of England. It will be the custodian of the Government's funds, and will relieve the State of the unsatisfactory business of note issue. The bond secured-currency, which theoretically at any rate shares the unsoundness of a fiat paper system, will thus be got rid of. The seasonal fluctuations of money connected with the moving of the crops will, it is hoped, be mitigated or done away with. These, however, are

<sup>1</sup> Dunbar, *Theory and History of Banking*, pp. 81-82.

minor matters. The great end which we must hope to see it successfully achieve will be the rendering of future panics such as that of 1907 impossible. That is an end too which, it must be said, concerns ourselves very urgently. Few of us, indeed, are aware how close the great American crisis brought us, for some hours, to an earth-shaking panic in London.

WILLIAM WARRAND CARLILE.

**THE HISTORY OF LOCAL RATES IN ENGLAND.** By EDWIN CANNAN, M.A., LL.D. Second Edition. (xiv, 209 pp. 3s. 6d. net. King. London, 1912.]

This is No. 1 in a series of Studies in Economics and Political Science by writers connected with the London School of Economics. The first edition appeared in 1896, containing a history of local rates down to 1840. There have now been added three very important chapters, bringing the history up to date and giving reflections on the justice and expediency of the present state of affairs. The somewhat dry and complicated subject is enlivened with occasional flashes of humour.

One gathers from the book an impression that the whole system of rating has grown up in a haphazard manner, with little regard for principle, or rather, as the author says, with a mixture of a number of divergent principles. He counts seven altogether. Especially is this the case in the apportionment of expenses between ratepayers and taxpayers. "It would have been difficult to devise a more atrocious jumble of finance," says Dr. Cannan, with reference to the management of the roads. Local administration affords a magnificent field for a financial genius to overhaul and straighten out and put in order the bewildering confusion.

Dr. Cannan has not much to say against the equity of the present system of local taxation. For cost to the ratepayers is taken into consideration in the purchase of rated property. He has more to say against the economy of the system. He opposes the plan of throwing all the rates in urban areas on to the owners of the sites, as likely to produce greater congestion of buildings. But the fact that districts vary greatly in their relative numbers of rich and poor causes uneconomical differences in public assistance and education. The author advocates that the State should pay for and manage as much of these as it conveniently can, and that grants should be made to local authorities on the model of the Necessitous School Districts Grant. But one would have liked him to discuss the question whether any form of local taxation other than that on immovable property is desirable or feasible.

FREDERICK A. M. SPENCER.

THE ECONOMIC TRANSITION IN INDIA. By Sir THEODORE MORISON, K.C.I.E. [251 pp. Cr. 8vo. 5s. net. Murray. London, 1911.]

Sir Theodore Morison in this book directs attention to a remarkable change which is coming over India. That country has, until lately, been one of the few which have continued under the conditions of industry which prevailed all over the world before the days of the factory system. The industrial position of India is shown, to take one instance, by the place which agriculture holds among her occupations. More than 65 per cent. of the population are engaged in agriculture, it may be even 70 per cent. Again, in India 90 per cent. of its people live in villages. Contrast this with the 23 per cent. of England! But the most striking indication of the industrial backwardness of India is to be seen in the economic independence of each Indian village, which until recently enabled it to provide for all its own needs. Indeed, the Indian village is still in its primitive condition. Not only is the work still done by a number of small workers, as in primitive times, but the common field is still to be seen, divided into minute strips among various villagers. Moreover, the use of money is, strange to say, still rare.

The root-cause of this state of things, Sir Theodore Morison thinks, was want of transport and means of communication.

"Men lived in agricultural villages in order to be near the source of their food-supplies; the village provided for all its own wants because it could not supply them by importation; as the village offered only a small market for any one class of goods, production could not be specialised, and a minute division of labour was impossible; as the only available market was a small one, there was no advantage in production on a large scale, and therefore no occasion for the employment of large amounts of capital even had it existed in the village; and lastly each craftsman worked independently on his own account, because the local demand was not more than sufficient to keep in employment one or two representatives of each industry" (pp. 153-4).

Now this cause has to a large extent disappeared. There are at present more than 30,000 miles of railways in India. The other results are quickly beginning to follow. Thus, in the last thirty years she has quadrupled her cotton-spinning and the same proportion is seen in her manufacture of jute, paper, and many other commodities. The same conclusion is drawn from the increased ratio of the importation of raw material as compared to manufactured goods. Whereas, in 1879, the ratio of increase of manufactured goods as compared with raw material was 5 : 1, in 1892, the balance is reversed and the ratio is 4 : 9.

The book concludes with a careful examination of the alleged "drain" upon the resources of India, supposed to be involved in the British occupation. By this "drain" the author understands "the amount of her exports in goods or money for which in that year she receives no material equivalent" (p. 193). Now, in the decade ending 1909, he shows that this amount was roughly £15,000,000 per annum, and the greater part of this he maintains to be interest on capital lent to India, for which she pays at a very low rate. It is only £7,000,000 of the "Home Charges" which cannot be accounted for in this way, and which can be said to be due to the political connexion with England. In return for this sum, India gets, in the first place, freedom from external interference. She gets the services of the British fleet, and is required to contribute only £100,000 towards its upkeep. Without this protection India would need a navy at least half as powerful as that of Japan, which costs £7,500,000. She is saved, therefore, about £4,000,000 on this head. But, moreover, India gets by her connexion with England the benefit of English credit. India can borrow at  $3\frac{1}{2}$  per cent., while Japan has to pay  $5\frac{1}{2}$  per cent. "An additional 2 per cent. upon India's total debt of £267,000,000 would represent an additional charge of £5,340,000 a year" (p. 239).

As far as an outsider can judge, Sir Theodore Morison has made out his case. And he has certainly written a book containing many points of interest not merely for those who are specially concerned with India, but for all readers who can enjoy a philosophic treatment of economic problems.

LAWRENCE PHILLIPS.

## DIE BEWEGUNG DER LÖHNE DER "FREIEN" ARBEITER.

VON ANNA NEUMANN, Doctor der Staatswissenschaften. [412 pp. 8vo. Parey. Berlin, 1911.]

The mere fact that this rather bulky volume was, on the recommendation of Professor Schmoller, printed at the expense of the Prussian Ministry of Agriculture, and issued officially by that Ministry as a supplement to its recognized "Archiv," may be taken as proof that it constitutes a work of merit. Germany, as it happens, is rather poor in publications of research of this sort. Hence not a few mistaken notions upon even rather essential facts relating to the earlier stages of the land question have obtained currency, as Miss Neumann shows, even in learned quarters. In treating of the movement of "free" agricultural labour in the period ranging from the close of the eighteenth century to 1850, Miss Neumann takes up a tale of which Professor Knapp had told the earlier portion in his well-known standard book on the "Emancipation of Serfs in Germany." And Professor Knapp himself is likely

to admit that she has done so in a spirit worthy of his own. For, indeed, she has spared no pains and has brought to the light interesting facts hitherto ignored even by professors who might have been her teachers.

It has generally been assumed that before the emancipation of serf-peasantry, the progress of which covered a considerable period—for the first full emancipation took place in Baden in 1783, and the last shackles of serfdom were not thrown off till 1839 in Saxon Lusatia—there was no free rural labour whatever, and that accordingly the price of rural labour was not regulated at all by the ordinary law of supply and demand, passing through ups and downs, but remained steady at a dead level, according to what the lords were pleased to allow. Dr. Neumann shows this to be a pure mistake in both respects. And indeed it could scarcely be otherwise. Writing in 1890 on land tenure in the Black Forest,<sup>1</sup> I pointed out that even before emancipation remote parts of feudal estates were frequently given in free tenure on what might be termed improvement leases, to become eventually freehold, like much of our whilom copyholds. Miss Neumann quotes other instances, more particularly that of the East Prussian *Kölmer*, whose origin dates back to the time of the Teutonic knights, and who occupy in German history a place analogous in importance to that of our Cumbrian “statesmen.” Apart from this there were other creations of “free” peasant property, such as coupling the hereditary office of headborough (*Schulze*) with some particular holding. To the present day, moreover, there are “*Freigüter*” and licences to sell liquor often went with a grant of the property in the “*Kretzschem*.”

Once more, there were estates with an excess of serf labour, and others with less than was required. The German lords did not, like Cato and Atticus, make direct merchandise of their serfs; but when “labour” was over-abundant, the lord would allow his men to work elsewhere. And accordingly the hirer had to bargain with such men. So it came about that the price of labour went up and down pretty freely, just as it does now, and Miss Neumann carefully traces its changes by the light of authentic data.

Miss Neumann may claim the merit of putting her case lucidly and very intelligibly, in the main by allowing her data, for which chapter and verse are given, to speak for themselves. In addition there is some tabular matter, bringing the facts stated home. There can be no doubt that her researches have added an important and instructive chapter to the history of landholding and social development in Germany.

HENRY W. WOLFF.

<sup>1</sup> *Rambles in the Black Forest*, p. 112.

SOCIAL PATHOLOGY. By SAMUEL GEORGE SMITH, Ph.D., LL.D.  
[viii, 380 pp. 8vo. 8s. Macmillan. New York, 1911.]

Dr. Smith is concerned with the diseases of Society. He speaks of them as "defeats," which is not quite the correct word, since it connotes at least an attempt at a victory. With an extraordinary wide range of knowledge he gives us studies of all the social maladies, indicating their causes and their influences, and only hinting at a remedy. In truth the complementary science of social therapeutics interests him very slightly, the reason being that most probably he meditates a separate volume for this phase of his vast subject. Now in the study of the pathological side he presumes that "the importance of the individual depends upon the efficiency of society." This statement is questionable, of course, but it has the particular value to Dr. Smith of enabling him to work back from particular inefficiencies to their causes. These causes, he finds, are to be found in much of the folly of our present social state. Most children are born as efficient, or at any rate as potential efficient. Afterwards they are ruined, and the guilt for the ruination lies with either the home or the State. He is ultra-modern in his handling of heredity, and he makes a strong case for environment as the real factor in the development of human beings.

In truth, the philosophy of the book is not of much importance. What is really of value is the vast quantity of solid facts which it includes in its 380 pages. We are given a long survey of poverty, its economics, its relation to the Church and charity, to the State, to the family. All sorts of interesting illustrations are given to bring out that which is to Dr. Smith a demonstrable truth. There is hardly one of the United States which does not afford either statistics or other information to these striking chapters. Here and there the English reader is brought up with a shock, for he has heard other stories of the boundless wealth of the United States. Crime and insanity, the treatment of those who have one or another of the five senses impaired, social evils and all that makes for wretchedness find their place in Dr. Smith's analysis of social pathology. The book is a storehouse for the social investigator.

We arrive at no conclusion, save the very useful moral that in all social study we must be very careful. Most of the practical suggestions are already crystallized, in England, into social practice. In other respects social practice has gone ahead of Dr. Smith's suggestions and even legislation, in our rapid day, seems to be tackling problems which our author lays aside with a sigh of despair. However, this is not to speak slightly of the book. It is the result of long and careful study,

and it makes a very creditable beginning in what will prove to be the science of Social Pathology.

JOHN GARRETT LEIGH.

**BULLETIN OF THE BUREAU OF ECONOMIC AND SOCIAL INTELLIGENCE** (vols. 15, 16, 17) and of the **BUREAU OF AGRICULTURAL INTELLIGENCE AND PLANT DISEASES** (Nos. 1, 2, 3). By the International Institute of Agriculture at Rome, 1912.

Whatever else the International Institute of Agriculture, formed on the initiative of the present King of Italy, and loyally supported by our own Board of Agriculture and Fisheries, may be accomplishing, it is entitled to great credit for bringing together so valuable a mass of pertinent information as it does in its volumes, alike on Agricultural Economics and on Animal and Vegetable Physiology, and not least in those monthly "Bulletins of Agricultural Statistics" which appear as supplements to its more bulky publications. The last new volumes of this very serviceable series show no falling off from the status of the past numbers by which practically the Institute made known its entry upon its appointed functions more than a year ago.

The contributions are not of course all of equal value. That was not to be expected. There must be scissors-and-paste work and adaptation from published newspaper reports as well as original matter specially prepared. However, the original sources from which second-hand information is gleaned are not in every one's hands, certainly not the full number of them. The general conspectus given of all that happens, of interest from an agricultural point of view, all the world over, in Spain, Bulgaria, China, the United States, Argentina, and so on, an account of all the organizations formed and carried on in all those countries, and of all new observations made with regard to plant diseases, a synopsis of all new publications, periodical and otherwise as well as legislative, bearing upon agriculture, and a regular collection of statistics are, on the face of them, so valuable, that one can scarcely imagine any political economist whose field of study includes agriculture doing without such a publication, the assimilation of the contents of which is made easy to all the world by its issue contemporaneously in English, French, German, and Italian, so that every one has the choice of a convenient language.

The only thing to be, perhaps, regretted is that the contents of this compilation appear to be drawn chiefly, if not solely, from official sources, so that they represent all that Governments do, and the results of their work, very much *couleur de rose*. Now in what is by way of



courtesy styled "co-operation," Governments to-day attempt a great deal by means of rather questionable help. And that does not in every instance succeed, let us say, quite to the extent that those who render the assistance would wish to have the world believe that it does. The information given is therefore in some respects in danger of becoming slightly misleading; and one cannot help indulging a shrewd suspicion that our own Board of Agriculture's newly evoked zeal for lavishing pecuniary aid upon agricultural co-operation, coupled with rather harassing supervision—which bids fair to spoil co-operation by denaturing it—is born of this parent. By all means let us have the governmental version—but a purely "objective" account from independent sources published as a complement would admit of a more trustworthy insight.

The collection of the material placed before the world in these pages is, however, in any case a substantial service to Agriculture and Economics and cannot fail to prove of benefit to rural, and also to national, well-being wherever attention is given to it.

HENRY W. WOLFF.

INSURANCE *VERSUS* POVERTY. By L. G. CHIOZZA MONEY, M.P.,  
with an Introduction by the RIGHT HON. D. LLOYD GEORGE, M.P.  
[396 pp. 8vo. 5s. net. Methuen. London, 1912.]

This volume contains an explanation and a defence of the National Insurance Act. It is divided into two sections, one dealing with health insurance, the other with unemployment. Each section is divided into three parts—(1) a statement of the case for national action, (2) an explanation and defence of the Act, (3) the text of the Act, with notes.

In his introduction, Mr. Lloyd George refers to the author's "well-known powers of popular exposition"; and in spite of the complicated nature of the subject, and the vast array of figures which he has felt it necessary to quote, Mr. Money has produced a book which any one may read with pleasure and profit. Its scope is admirably comprehensive. It includes a survey of the work now being done under the voluntary system in England, and an interesting account of the methods and results of the compulsory system as applied in Germany. As far as the matter of the book is concerned, it is beyond reproach. It contains all that is necessary, and little that is superfluous. It has, however, one great fault. Mr. Money is much too enthusiastic.

The book is a revelation to the happy beneficiaries of the shower of blessings which their "courageous and devoted" Chancellor of the Exchequer is about to let loose upon their heads. In the author's eyes all doubts and questions are impious. They have no foundation apart

from the flagrant misrepresentations of malevolent political opponents. Mr. Money has taken the rancour of these opponents too seriously ; but he has failed to take the genuine misgivings and perplexities of the honest layman seriously enough. He has not shown that he appreciates them. He has not stated them fairly or faced them squarely.

The average man has grave suspicions with regard to this Act. For instance, he knows that it is opposed by the Medical profession, and he expects a writer on the subject to explain to him the exact ground of this opposition, and to meet it frankly. Mr. Money does not do this. He implies that there are no grounds for the doctors' discontent, and the reader is left with the feeling that some part of the truth has been suppressed.

Again, the average man does not understand the Act. He does not understand whether the approved Societies or the Government will be responsible if, in the case of any society or group of societies, the contributions collected under the Act do not suffice to supply the " minimum " benefits promised by the Act. He will probably read as far as Chapter XX. under the impression that the Government is responsible, and Chapter XX. will come as rather a shock. The reason is that Mr. Money refuses to entertain the legitimacy of this doubt ; but he ought at least to have recognized its bona fides. His answer, which is implied rather than stated, is that the Actuaries' calculations make a Government guarantee ludicrously superfluous ; but the average man, fresh from the astonishing vagaries of tariff statistics, places no reliance on figures. On the other hand, he does know that this Act is going to bring many unknown factors into the problem. Hitherto it has usually been the thrifty, careful, sober people who have insured. Now many improvident, careless, intemperate persons living, many of them, under insanitary conditions, are to be compelled to do so. Moreover, the conditions with respect to arrears due to unemployment are to be unprecedently generous. He wonders what the effect will be on the solvency of those societies which are connected with trades or districts in which the rate of unemployment is high, and the standard of morality low. He feels that under the circumstances the Government which compels him to insure should guarantee him minimum benefits. Mr. Money has not dealt sympathetically enough with this attitude for his answer to be convincing.

Another common impression is that if the Trade Unions become approved Societies, the Government will be able to hamper their political action by exercising control over their funds. However absurd this idea may seem to Mr. Money, it is a pity that he did not condescend to deal with it specifically, for among working men it is extremely common.

In all these cases, Mr. Money has failed to come down to the level of the men to whom he presumably wishes to appeal. He should learn to suffer fools gladly if his "powers of popular exposition" are to have their full effect.

The elaborate argument that insurance is likely to mean higher wages is hardly likely to commend itself to the workman. Knowing the meanness of employers, he will still wonder what the difference is between saying "the master pays 3*d.* and deducts 4*d.* from his men's wages," and "the master pays 7*d.*, and recovers what he can from his men." Without the safeguard of a minimum wage, many workmen expect to find that they will handle 7*d.* a week less money, and they don't like the prospect. Moreover, Mr. Money's method of commending compulsion will hardly please them. To say that all working men are really slaves, and so will be the last people to object to compulsion, is hardly tactful, even if it is true. The workman's illusion that he is free is rightly precious to him, and he does not want to forge fresh links to his chain, but rather to break the old ones.

In short, Mr. Money has written a very valuable book, which should do much to make it possible for the ordinary man to take an intelligent interest in the Act; but his failure to state or to answer genuine doubts sympathetically, and his occasional lapses from tact, may impair its utility. It will be of undoubted service to the Liberal party in confirming the faith of believers, but its excessive partisanship may impair its efficacy in converting the sceptic.

D. W. A. HANKEY.

**THE MODERN PRISON CURRICULUM.** By R. F. QUINTON, M.D. [276 pp. Cr. 8vo. 5*s.* net. Macmillan. London, 1912.]

Dr. Quinton's book is well worth the study of those interested in the subject of crime and its restraint. It is written from an impartial point of view, and is obviously the work of a man who has had practical experience and is not afraid of facts. Those who believe in special theories of reform will find a great deal of information, encouraging as well as critical. For instance, in 1880 there were 10,000 convicts in England and Wales, but now only a little over 3000. Local prisoners, too, are more than 1000 less, though from 1905 to 1910 they rose in number from 18,169 to 18,521.

In his preface, Dr. Quinton discusses the ethics of punishment, and argues that we must not lose sight of the vindication of social justice, and the deterrent effect upon other criminals. The book also explains very clearly the actual working of various methods, such as preventive detention, suspended sentence, probation, the American Elmira system, and our own Borstal scheme.

There are two reforms upon which Dr. Quinton lays special emphasis. First, we should endeavour to clear our prisons of the great mass of vagrants and drunkards. The vagrant, who seems to find prison pleasanter than the casual ward, should be placed for a considerable period in a labour colony, while the habitual drunkard should be consigned to an inebriate home. Secondly, we must classify our real criminals more carefully and separate them accordingly. Prison seems to have a real deterrent effect for those who are on the borderland of crime, and many first offenders never return. For them, Dr. Quinton recommends a trial of the "suspended sentence" system, by which they are given a chance, on good behaviour, to avoid prison altogether. Fines, too, should have a longer time allowed for payment, in some cases at any rate. For the habitual offender, he recommends "Preventive Detention," though here some of us might wish to urge that the "Indeterminate Sentence" should be safeguarded by a maximum time limit. For the Borstal system, Dr. Quinton has great praise; but he is inclined to think that the success of the Elmira method is largely dependent on the American temperament. The basis of all these newer methods of dealing with crime is the idea that the criminal is not necessarily an insane person, and that merciful laws, strictly enforced, are more effective than harsher measures.

C. E. M. FRY.

**HISTORY OF ECONOMIC THOUGHT.** By L. H. HANEY, Ph.D.,  
Associate Professor of Economics in the University of Texas.  
[xvii, 567 pp. 8vo. 8s. 6d. net. Macmillan. New York, 1911.]

The plan of this work is mainly chronological. The beginning of economic thought is discovered rather far back in the admonitions and prohibitions of Brahminism and Judaism in favour of the borrower, the debtor, and the hireling. But is it possible seriously to apply the name of economic thought to such sentiments as prompted the passage quoted from the Vasishttha, "He who acquiring property cheap gives for it a big price is called a usurer"? At the same time, Professor Haney does not claim for the origin of economics as a science any remoter date than the eighteenth century. Indeed, he is disposed to bestow upon Turgot that title of Father of Political Economy which other writers have reserved for Adam Smith. He divides the immediate followers of these leaders into the two camps of pessimism and optimism. Malthus and Ricardo he consigns to the former, and Carey and others of the American school, together with the Frenchman Bastiat, are placed in the more hopeful brigade. A couple of chapters are taken up with a review of the attacks of leading French and German

Socialists on the classic doctrines of early nineteenth-century economy and an examination of the influence they have had upon recent statements of economic doctrine. Lastly—and this is perhaps one of the most useful portions of his work—Professor Haney presents us with a summary of the opinions current among the contemporary leaders in economics in France, Germany, and Italy as well as in English-speaking countries.

C. H. d'E. LEPPINGTON.

#### L'EMIGRATION ET SES EFFETS DANS LE MIDI DE L'ITALIE.

Par J. BARONE RUSSO. [224 pp. 16mo. 3 fr. 50 c. Rivière. Paris, 1912.]

Those who take an interest in Italy will be glad to hear of the appearance of this book, a small portion of which, when published in the shape of articles in the *Monde Economique*, attracted deserved attention.

Not a little has been written of late about emigration in general, and emigration as a measure of economic reform for an over-populated or else under-endowed country has found both its champions and its critics. Baron Russo deals with such general aspect concisely but in an interesting way, passing the course which the movement has run in various countries, in antiquity and in modern times, in review country by country. When he comes to his own country, and in that country specifically to the south—the condition of which in the newly united kingdom constitutes the crux of Italian politics—he reviews the causes as well as the effects. There can be no doubt that Southern Italy is all the better for its emigration, which, so far from acting as a drain upon it, is proving the best source of strength from which it could draw. For its emigrants send money home and eventually come home themselves, with little or big fortunes, by which their old home benefits. Baron Russo quotes an additional benefit. These men, so he says, go to freely governed countries. There they learn what self-government means, what duties and responsibilities a self-governing citizen takes upon himself, and thanks to their home-coming the Italian people are taught citizenship as well as raised in prosperity. There is much more wanted, of course. Thinking, like Dickens' Snagsby, only in "half-crowns," the Italian Government has lavished financial benefactions upon its southern provinces, the results of which Signor Baccaglioni's report, recently officially published, shows to be disappointing. They are disappointing because there is no foundation laid for that "co-operation" to which the Government desires to lead the population. The peasant is, as the *Tribuna* has called it, *im-preparato* in the way of education, and he is, as the *Co-operazione Rurale* has shown, at the mercy of his landlord's caprice, to which he

may fall a victim any day. Education and something approaching the fixity of tenure are what is first wanted. Meanwhile that Emigration, of which Baron Russo has made a study, brings him not a little relief.

HENRY W. WOLFF.

LA PASSIVITE ECONOMIQUE. Par MANLIO ANDRÉA D'AMBROSIO. [390 pp. 8vo. Giard and Brière. Paris, 1912.]

This book, which forms the sixteenth volume of MM. Giard et Brière's "Etudes Economiques et Sociales," appears to have met with most distinguished success in the author's native country, securing him the special commendation of the University of Naples and as prize a doctor's degree. Its conclusions are not, however, of a nature to assist much towards a practical solution of what is at the present time undoubtedly one of the most pressing and also the most difficult of social and economic problems to be dealt with.

The "passive" in "Economy" are those who consume and do not earn, in other words—although the author does not make nearly enough allowance for the production by capitalists through the employment of capital and brains—the parasites of the world, with a fringe of old age incapacity tacked on to them. The problem to be solved is: how to turn such drones into working bees.

That problem, so it is needless to say, has not yet been at all satisfactorily solved, although many an attempt has been made more or less successfully dealing with some one or other particular point. The author is careful to enumerate and review all such attempts which have come under his notice. Evidently his book, although dated 1912, was written before our much-debated and much-contested National Insurance Act had become law. For he classes us, together with the people of the United States, among those who desire to provide for employment or pensions in a purely voluntary way, whereas the Germans are supposed to lead in the application of collectivist assistance, which Signor d'Ambrosio pronounces necessary. He would even go further and apply State help to prevention as well as cure. Although the argument does not point to any definite conclusion, it is well to have a survey of all that has been tried in the province of economics referred to.

HENRY W. WOLFF.

LE PROLETARIAT INTERNATIONEL. Par R. BRODA et JULES DEUTSCH. [254 pp. 16mo. 3 francs. Giard et Brière. Paris, 1912.]

Although only small in compass and apparently slight in texture, this carefully written little volume contains in its historical portion

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a highly interesting comparative account of the genesis of the "Proletariate" in various countries of the globe, new countries as well as old. The information given is decidedly instructive. As a country advances in civilization, in wealth, in political and economic organization, so the author points out, a "proletariate," that is, an army of "have-nots," dependent solely upon labour, grows up and is made to feel the injustice, as it holds it to be, of the prevailing division of wealth. The progress from stage to stage seems clearly marked and the same everywhere. The yoke is at first borne in patience, as if ordained by Nature. Presently it begins to gall at this point or the other. But it is not the system yet, against which the galled persons feel disposed to rebel, nor the "masters" in general, but only such and such a master, who is thought to abuse what is still held to be perfectly rightful authority. In course of time, the ranks of the proletariate army closing, one squad acting upon another, and education coming in to heighten the effect, the individual "master" is forgotten in the hatred generated directly against the entire class, and then the proletariate becomes powerful and dangerous. It becomes impatient of all authority and shouts "Ni Dieu, ni maître," and resents all work that is at all irksome. No doubt, with advancing mechanical science, much may be done to make labour more bearable. Thus in Germany, by the application of electric power to agriculture—for which there are no fewer than 2700 institutions, 510 being co-operative—the former aversion to peculiar kinds of necessary labour has been overcome, and there are few complaints now made on the score of unwillingness to be employed as farm-servants and farm maids. However, as the late M. Mundella pointed out at a "Political Economy Dinner" to a well-known Socialist, who complained of the "horrors of 'stoking'"—"somebody must do the stoking, else we must go back to sailing vessels."

The two French authors appear reconciled to proletariate discontent and rather unnecessarily "pile up the horrors" in the second portion of their book in quoting pretty agonizing, highly-coloured accounts of the hardships of labour by German socialists. We know now that there are better and more peaceful ways of securing justice for labour than a war of classes; and reading of all this militant political Socialism one cannot help recalling the late Bishop of Truro's distinction between "political" Socialism, which says "All that is yours is mine," and "Christian" Socialism, which says "All that is mine is yours."

HENRY W. WOLFF.

A PHILOSOPHY OF SOCIAL PROGRESS. By E. J. URWICK.  
[x, 300 pp. Crown 8vo. 6s. Methuen. London, 1912.]

This is an excellent book, with a truly comprehensive range of vision.

Human society is treated as at once physical, organic, mental, ethical and spiritual. The difficulties of social reform and social progress are seen to arise from the fact that man belongs to all these different kinds of worlds. He is, to a certain extent, subject to the lower orders of forces, but has the germ of a higher nature, that is slowly and with occasional set-backs getting the control.

The author abstains from judging in the political and sociological controversies of the day, except that he more than once shows his conviction of the rightness of women's demand for enfranchisement. But he leads the reader upwards to a point of view from which he may behold the conflicting ideas of socialism and individualism, state-control and personal liberty, stability and progress, as mutually complementary principles of the growth of society. One feels that he has drunk deeply of the philosophical tradition that flowed from the great German idealists through T. H. Green into British thought, while he himself thinks with charming freshness and originality.

Towards the end of the book the reader finds himself being drawn up beyond the level of scientific sociology into the regions of the religious and the spiritual. The ultimate value of social progress is declared to be the development of the "true individual," the inner personality that underlies the exterior self. And this takes place through the growth of "dutifulness." "What is of supreme importance is that the content of each individual's duty should never grow less, but always increase; and this is chiefly because responsibility implies something higher than answerability to society, and is relative to a good far transcending social or personal utility. It implies also answerability of the self to its true owner—which is not society; we may call it answerability to the Good, if we wish, or answerability to the true individual whose instrument the self is."

This is a striking idea. But as thus expressed it is imperfect. Surely it is not mere quantity of duty and responsibility that is of importance. May not progress consist also in the heightening of the quality of the work which forms the material of the duty? Hard, monotonous labour, if performed out of sense of responsibility to the supreme spiritual end of society, is a fine agency of moral development, but it leads on to a higher stage of duty in which superior faculties of the soul are involved. And then, again, is "dutifulness" the last word in moral progress? Is it not too austere and cold to be set in the topmost place? What is of supreme importance—to adopt the author's phrase—is that the individual's relations to his fellows in human society should call forth in ever increasing measure the higher faculties of the soul, of which the highest and the one that should rule and permeate the rest is love. Nor can we accept altogether the statement that the



ultimate goal is the realization of the true individual. For the Kingdom of God is through and through social ; and only in spiritual union with one another will souls realize their divine ideal.

FREDERICK A. M. SPENCER.

INCREASING HUMAN EFFICIENCY IN BUSINESS. By WALTER DILL SCOTT. [339 pp. Crown 8vo. 5s. 6d. Macmillan. New York, 1911.]

The efficiency of machinery has increased enormously owing to physical science. The author looks to psychology to produce a corresponding increase in the efficiency of the men who work the machines. He has collated a number of devices for economizing and stimulating human energy, many of which should prove of great service. The imitation of good workers by inferior workers is to be encouraged. Competition is to be fostered through prizes for the best work. The employer is to study how to win and retain the loyalty of his men. The chapter on "Concentration" deserves careful study. The remark that voluntary attention is "the most exhausting act which any individual can perform" gives the principle for economizing mental energy.

Yet there is surely a danger, which Professor Scott hardly mentions, that a system of continuous speeding-up should wear out the nervous system prematurely. An organized and scientific policy of American hustle is too horrible to contemplate. And one could wish that the author had discussed co-partnership at greater length, especially as reformers of various schools of thought unite in recommending the admission of employees to participation both in profits and in management.

In the chapter entitled "The Love of the Game," Professor Scott touches on the higher motives which should inspire industrial labour—the artistic interest and the benefit of mankind. But he does them scant justice, not emphasizing sufficiently the increase in their force to be expected with the progress of education and the development of the social sense. Men will dislike having to earn their living with labour that does no one any appreciable good. On the other hand, drudgery will be honoured and willingly accepted if it is seen to be necessary and highly profitable to the community. And work performed as service to mankind will be truly artistic, as expressive of the principles of the common life. This is no impracticable ideal, but one that will be progressively realized as the meaning of human life is revealed.

FREDERICK A. M. SPENCER.

50 ANNI DI VITA ECONOMICA E FINANZIARIA ITALIANA.  
DI EUGENIO MESSERI. [428 pp. 8vo. 10 lire. Loescher.  
Roma, 1912.]

The title of this book is too "big." The "economic life" of a nation embraces more than the business specifically interesting to bankers. However, in overestimating the importance of the price of Consols and the rate of Exchange, Signor Messeri errs in good company. More statesmen than one of his country have committed themselves to his own view that the outward sign of national credit is the paramount condition of national welfare. Their number includes the eminent statesman to whom the author has dedicated this very presentable volume, Signor Luzzatti, who explained his views upon the subject in a memorable discourse at Lodi.

Even as a compendium on banking questions—credit, exchange, national wealth, etc.—the book is rather "thin." It omits some rather important points. Thus in, rightly, assigning a chapter to "Agricultural Credit," Signor Messeri mentions the law of 1888, but says nothing about the equally important law of 1869, and passes over in silence altogether the misdirected but at present supreme legislation which began in 1901. He says nothing of the *Banca del Lavoro*. And, though appraising at their proper value the *banche popolari*, which will ever rank as Signor Luzzatti's choicest work, he carries their statistics no further down than to 1894.

However, so far as the book goes, it has, accompanied by creditable "get up," the merit of conciseness and good arrangement, which makes reference easy and gives a clear and comprehensive conspectus of the things that are to be brought under the reader's notice.

It is indeed a proud tale that Italy has to tell of her economic growth since the proclamation of her unity in 1861. Signor Luzzatti's chosen test of advance is the restoration of public credit, which is to a very great extent his own work, but the value of which he obviously over-rates. Italian credit is not "better" than French, because Italian *rendita* happens at one time or other to be quoted above French *rente*. The time of testing is the time of borrowing. What an unsteady value *rendita* is, Signor Messeri himself shows in his tale of how the quotation went up from 45 to over par, with many a set back whenever things seemed to go against Italy.

However, in spite of statesmen's straining after the *valuta*, and neglecting the cheapening of life and the equal or even at all fair incidence of taxation, national welfare has advanced. The very appreciation of *rendita* affords a proof of this. For that has, as the Italian Ministry of Finance has recently explained, been, to a large extent,

brought about by the very large purchases of *rendita* made for purposes of thrift by the toiling classes, thanks to its issue in small denominations, being bearer bonds. There is a timely lesson for us in this at the present moment. How very unequally taxation hits the several classes we learn from Signor Messeri's chapter upon "The Private Wealth of Italy." That wealth has, from taxation, been ascertained at about fifty milliards of lire, that is: £2,000,000,000. However, Signor Messeri insists that it may safely be taken at £3,000,000,000, because £1,000,000,000 entirely escapes the tax-gatherer. What tempting "henroosts" for an Italian Lloyd George! That is not the money of the poor, who are taxed down to the humblest earner of wages, but the money of the wealthy.

It is interesting to be reminded that Italy possessed, at Leghorn, a clearing house (*Stanza di Compensazione*) about fifty years before England set up one in London. But, by the side of that, it is a little curious to find Signor Messeri explaining what a clearing house is, not from what is done at Leghorn, but from what the late H. D. MacLeod wrote about it in his *History of Banking*—which, by the way, is by this time ancient history. This bears out what Comm. Magaldi stated some years ago at a "Middle Class" Congress at Brussels, namely, that Italian banking, after a brilliant beginning, had dropped into a "sleepy hollow" before Signor Luzzatti called it into new wakefulness by the healthy stimulus of his "People's Banks."

Notwithstanding its rather narrow casting, in respect of the development of Italian Banking and Finance, National Wealth, a brief epitome of National Income and Expenditure, Savings Banks, Charitable Institutions and the like, during the past half-century, Signor Messeri's book will be found useful and remarkably handy.

HENRY W. WOLFF.

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## SHORT NOTICES.

**THE LIVERPOOL DOCKS PROBLEM.** By R. WILLIAMS, B.A.  
With 7 charts and maps. [44 pp. 8vo. 6d. net. Northern Publishing Co. Liverpool, 1912.]

This pamphlet, embodying a paper read recently before the Liverpool Economic and Statistical Society, describes the conclusions reached by a Joint Committee representing the various bodies interested in the working of the Liverpool Docks. The statistics and charts give an exhaustive survey of the distribution and organization of the dock labourer; and the letter-press comprises a detailed account of the formulated scheme. Mr. Williams shows himself somewhat critical of

the methods of haulage at present in vogue, and passes some kindly but caustic remarks on the human aspect of the dock labourer.

CHRIST AND HUMAN NEED. By the Student Volunteer Missionary Union. [210 pp. 8vo. 2s. net. London, 1912.]

The Fifth Quadrennial Conference of the Student Volunteer Missionary Union, held at Liverpool in January, is responsible for this capital collection of addresses. The subject of "Human Brotherhood" is dealt with by the Rev. N. S. Talbot, of Balliol College, Oxford, and the "Problems of Society" by the Rev. W. Temple, Headmaster of Repton. Eastern questions—*e.g.*, "Womanhood," by Miss A. W. Richardson—and "Backward Races" are not neglected; and the relation of education to mission work is discussed by Dr. Michael Sadler, C.B. The more strictly religious subjects of our Lord's life and personality form the closing themes of the conference. The Rev. Tissington Tatlow sums up the work of the S.V.M.U., and the whole report is a worthy tribute to the power of a great movement.

ÜBER DIE ERNÄHRUNG UND DEREN KOSTEN BEI DEUTSCHEN ARBEITERN. Von PROFESSOR DR. LICHTENFELT. MASSENVERBRAUCH UND PREISBEWEGUNG IN DER SCHWEIZ. VON DR. F. KRÖMMELBEIN. [xx, 315 pp. 8vo. 9 Marks. Kohlhammer. Stuttgart, 1911.]

These are detailed and extensive reports of investigations into the food and domestic expenditure of the German and Swiss working-classes. It is interesting to note that on the Continent also a considerable rise in the price of food-stuffs has been taking place during the last decade.

DIE GEISTIGE HEBUNG DER VOLKSMASSEN IN ENGLAND. VON DR. ERNST SCHULTZE. [xi, 177 pp. 8vo. 4 Marks. Oldenburg. Berlin, 1912.]

VOLKSBILDUNG UND VOLKSWOHLFAHRT IN ENGLAND. VON DR. ERNST SCHULTZE. [xii, 177 pp. 4.50 Marks.]

DIE GARTENSTADTBEWEGUNG IN ENGLAND. VON ARCHITEKT BERLEPSCH-VALENDAS. [xii, 190 pp. 4.50 Marks.]

DER PRAE-RAPHAELITISMUS IN ENGLAND. VON PROFESSOR DR. H. W. SINGER. [viii, 126 pp. 3.50 Marks.]

These attractive little books are issued under the auspices of the Committee for the promotion of good understanding between Germany and England. Professor Sieper, the Editor, hopes by means of them to produce a popular knowledge in his own country of the present

conditions of English civilization. They are written in a friendly and appreciative spirit, and therefore should help forward the peaceful co-operation of the two nations in orderly progress.

PRINCIPLES OF INSURANCE. By W. F. GEPHART, Ph.D.,  
Assistant Professor of Economics, Ohio State University. [xv,  
313 pp. Crown 8vo. Macmillan. New York, 1911.]

The scope of this book may be indicated by these words in the Introduction: "As a teacher and salesman of insurance, the writer has often been confronted with the difficulty of presenting the elementary principles of insurance, and this volume is a modest effort to do something to elucidate these principles. The book is primarily intended for the student in the classroom and for the general reader who wishes to know something definite about the subject." It deals with life insurance, and, more briefly, with accident and health insurance. There is a comprehensive bibliography at the end, as well as ample references in the course of the book to authorities on the various branches of the subject. Perhaps the most important chapters for sociology are those entitled "Relation of the State to Insurance" and "Insurance for the Wage Earners." But these are mainly concerned with the conditions in the United States.

DIE DEUTSCHE SOZIALDEMOCRATIE. DIE CHRISTLICH-NATIONALE ARBEITERBEWEGUNG. [182 pp. 1.20 Marks. Gladbach. Berlin, 1912.]

SOCIALDEMOKRATISCHE UND CHRISTLICHE SITTELEHRE. [68 pp. 40 Pf. Gladbach. Berlin, 1912.]

DAS SOZIALE GEMEINSCHAFTSLEBEN IM DEUTSCHEN REICH. VON ELISABETH GNAUCK-KÜHNE. [181 pp. 1.20 Marks. Gladbach. Berlin, 1912.]

The first two pamphlets are written from the Catholic standpoint and are intended to educate the working-classes against Social Democracy. The last is a compendious account of the Social Movement in Germany intended for the higher grades of schools. They represent a widespread endeavour to create public interest in the Social Problem and to bring Christianity to bear upon its solution. In Germany religious opinion and schemes of social reconstruction are more closely allied than they are in the United Kingdom. There is the Social-Democratic Party with its strong anti-clerical bias on the one hand, and a growing Christian-Social Labour Movement on the other. The latter is based on belief in the kinship of Christianity with the better organization of society on co-operative lines.

## EDITORIAL NOTES.

RECENT events in Leeds, Dublin and Johannesburg provide abundant food for reflection. From one point of view they may be regarded as part of the general demand for higher wages which always occurs in a period of marked industrial prosperity such as the present. In the last twenty years we have had three periods of rising and three of falling wages : and now we are apparently approaching the conclusion of a rising period, 1910 to 1913, which has seen a net increase of £353,000 in the weekly rates of wages for the United Kingdom. The claim for a share in this prosperity has not been confined to the lower ranks of poorly-paid labour. Skilled miners and mechanics, ship's officers and school teachers, have all been asking for more, as well as unskilled or semi-skilled labourers. No one can say that they have not a right to make a claim of this kind. Prosperity in a trade should be shared by all who are engaged in it : and however much it may be true that it is the general economic conditions which eventually determine whether wages shall go up or down, it is certain that many people would have either to wait longer for, or to go without, their share in any given increase of prosperity, if they neglected to ask for it.

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But in these recent manifestations of unsettlement there has been something more than a mere demand for better wages based upon the general prosperity of the moment and the general rise in prices. If Mr. Larkin had been successful in Dublin, it would have meant the establishment of something like a dictatorship over the whole trade of the city. If the strikes in South Africa and Leeds had succeeded, the revolting employees of the State or of the Corporation would have made themselves the masters

of the public. In each case a section of the community challenged the whole to a trial of strength ; and the community was obliged in self-defence to take up the challenge. Even supposing that there had been no indication at all of any intention to appeal to physical force on the part of the strikers, the community had to decide upon the merits of the case, and take action. These strikes were not mere contests between employers and employed, in which it might be argued that it is the duty of the community to stand aside and keep the ring : they were deliberate attempts on the part of a section to get what they wanted by making life intolerable to every one else until they did. In such cases, when labour leaders complain that the power of the community is thrown into the scale against labour in a private quarrel, they are simply misstating the position. It would be truer to say that the strikers are trying to force the community to take *their* side, without due regard for the inconvenience or even suffering which they may inflict upon persons who have no part in the quarrel. It should also be noted that an appeal to the public for subscriptions has become a normal feature of modern strikes. If any member of the community has a right at his own discretion to take part in a strike by supplying the " sinews of war," he must be allowed a similar right either to refrain altogether or to support the other side. There is no need to assume that one party must always be in the right and the other party always in the wrong.

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A modern strike is generally a deliberate, premeditated affair. There have been " lightning strikes " of waiters at dinner-time, and instances of the throwing down of tools on the impulse of the moment ; but this sort of thing is not likely to become common in the future, and in any case it is ineffective unless it has been carefully arranged beforehand and timed to occur at what is supposed to be the critical moment. The " irritation " strike, too, which finds favour with some syndicalists, requires a deliberate intention and dogged persistence to give it real force. And the labour leaders at Johannesburg can hardly be accused of having acted without consideration. It seems obvious that the ostensible cause of the South African strike—the reduction of the number of

men employed on the State railways—was only a side issue. The former strike in July had been partially successful, and the men were encouraged to try another fall with the Government. Having failed to make a *casus belli* out of the Natal coal mines, they decided to join issue on the railway question. They had, no doubt, a perfect right to object to any retrenchment of the numbers employed on the railways as being, in their opinion, unjust and inexpedient. But, in the same way, the Government had an equal right to decide the question from their point of view. We are not in a position to discuss the exact merits of the case. But it can hardly be maintained that this in itself was a sufficient reason for another general strike. And as the Government, rightly or wrongly, feared disorder, they were within their rights in taking such measures as were thought necessary. If they made a mistake in tactics, no doubt they will have to pay for it.

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At the back of every strike there lies the possibility of a resort to the use of physical force on the part of the strikers, and this is a question of special importance in the case of a strike which is directed against a State or municipal organization of industry. Sane and responsible labour leaders have always discouraged an appeal to force in its cruder forms, knowing that it is intolerable and that it is a mistake in tactics: for it necessarily alienates the sympathy of large numbers of people who would otherwise be ready to lend an ear to just claims and aspirations. But there have not unfrequently been instances of wild talk and direct incitement to violence, intolerable at any time and dangerous when passions have been aroused. No Government can permit the use of force by individuals. There is only one argument to be used in reply, and that is force. Nor can those who resort to it complain. It is fatuous for one party in a dispute to say to the other: "It is very right and proper that I should knock you down, but you are not allowed to hit me." In such cases what is requisite is that the Government should have clearly decided beforehand upon certain principles of action, and should apply them with vigour if need arises.

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But independently of the question of actual physical violence, which is repudiated by all fair-minded and reasonable citizens, there are other forms of force which have obtained a sort of toleration on the ground of expediency; and it is becoming more and more important that the attitude of the State towards them should be more clearly defined. The right of "peaceful picketing" has often been scandalously abused; and even if actual violence is not used, picketing may easily develop into a blockade, which is an appeal to force and a state of warfare. During the recent coal porters' strike in London carts and waggons were in several instances stopped in the streets, and the contents scattered on the ground to be plundered by bystanders, and the police, in the exercise of their discretion or acting upon instruction, did not interfere. Strike leaders issued and withdrew at their pleasure "permits" for supplies to hospitals. If merchants or manufacturers deliberately withheld the supply of what is vital to the life of the nation in their own interest, they would justly become the object of public indignation, and if they made a show of force in support of their position they would be universally execrated. Is the case different when organized labour acts in the same way?

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If an appeal is made to open force it must be met by open force. If the appeal to force is veiled, as it more commonly is, the community has a right to defend itself by the same weapons. And if we may judge from what occurred in 1909 in Sweden, and more recently in New Zealand and at Leeds, it has the power. The business men of Stockholm, the farmers of New Zealand, the professional classes of Leeds, the students at the London hospitals, the soldiers who were sent for the regimental supplies of coal, were in a sense strike-breakers, but not "blacklegs." They were simply carrying out, in their own interest, or the interest of the community as a whole, necessary services which those who were properly charged with them refused to perform. If any body of individuals is to be allowed to hamper and hinder the whole machinery of our complicated modern civilization until they get what they want, we are on the road to chaos. Society cannot, and will not, allow it.

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Even in the case of a strike against private employers, the rest of the community may fairly claim the right to organize their own supplies. For instance, if the bakers go on strike, ordinary citizens may either make their own bread at home, or improvise a common bakehouse for the emergency. It is not reasonable to say that all people must go without bread till the master bakers have agreed to the demands of the workers. There may perhaps be something to be said even for the so-called "free-labourer" who acts as a professional strike-breaker, or for the lock-out-breaker, for this individualistic type of person occurs among the employers as well as among the workers. Employers who break away from their own association and grant the men's demands at once are "blacklegs" from the masters' point of view. If the blackleg employer may be used by the strikers, why should not the blackleg worker be used by the employers? Of course, both of them may be criticized for lack of allegiance to their own class. But in a free country, any contract between individuals must be recognized by the State until it is defined as illegal and unjust. That is to say, there is a clear distinction between Trade Union requirements, or a code of rules agreed to by both masters and men as a standard for the trade, and the regulations of a Trade Board which have acquired legal authority.

## THE CENSUS OF PRODUCTION AND AGRICULTURE.

THE special returns for Agriculture under the Census of Production, though interesting in detail, carry less weight as a whole than the Industrial figures. The nature and conditions of Agriculture render it inevitable that this should be so. In ordinary Industry the statistics for any given year can be taken as giving some idea of the state of trade, and will show a general relation to the figures for the year before and the year after. In the case of Agriculture, however, where production is largely dependent upon weather, any particular year may give results entirely freakish and abnormal. In addition to this there are two other causes, which tend to make agricultural returns somewhat untrustworthy. In the first place, it is impossible to get the figures for actual sales of all produce, and the amounts sold and the sums received must therefore be largely estimated. In the second place, it is just as impossible to get actual details of the expenditure involved in production, so that here too we are compelled to fall back upon careful guesses, instead of being able to rely upon arithmetical fact. None the less, though statistically imperfect, the returns are the best that can be obtained, and as such are worthy of our careful attention.

It is always best to know as early as possible the key in which a piece is written, and by turning to page 26 of the Report we shall at once find a statement which strikes the note that will be dominant throughout this inquiry. On that page we are told that, in the year 1908, the sum of £90 represented the gross average output per head of all agricultural workers of all classes.

If this figure represented "net output," as understood in the tables of the Industrial Census, the sum would still be £12 less than the corresponding industrial amount. But this is far from

being the case ; and it must be plain that, by the time the deductions necessary to change "gross" to "net" have been made, all semblance of parity between industrial and agricultural productivity will have disappeared. Agriculture, in a word, stands revealed as poverty-stricken when compared with other industries ; the returns, counted in money value, on the work of the field are shown to be greatly less than those of the mill or the workshop.

But, though this one broad fact is perfectly evident, it is impossible to pursue the comparison with any exactness, and to determine any precise arithmetical ratio between the profits of industry on the one hand and of agriculture on the other. To do so, we should have first to discover what the agricultural "net output" actually was, and this seems a task well-nigh impossible of accomplishment. For the attempt to do anything of the kind would at once land us in a maze of difficulties as to what can, and what cannot, be fairly reckoned the raw material of agricultural production. Should, for example, the rent of a farm come under that head ? And, if this question is answered in the affirmative, should the rates be counted as part of the rent ? These and similar difficulties offer such endless prospect of dissension that I shall shirk the whole inquiry. I shall leave the agricultural "net output" undiscovered, and confine myself to the endeavour to construct from official figures, reinforced by the results of one or two private inquiries, a tentative balance-sheet for agriculture in the year 1908. From this balance-sheet we may hope to learn all those general facts with regard to agriculture in which our interest lies.

At the very outset a serious difficulty has to be encountered. Not only have we to rely upon estimates for the totals of the crops and for many items in the cost of their production ; but we are left in uncertainty as to the exact number of persons to whom the agricultural production we have to review was actually due. We have precise returns of the number of holdings, and of the number of permanently employed labourers ; but we have only very tentative figures for temporary labour, and no exact information whatever as to the number of occupiers who derived a part of their living from some source other than the land. Now

agriculture is an industry, which more often than any other is carried on as a secondary employment. The village innkeeper and the village butcher habitually hold a little land; the other village tradesmen not infrequently do so; while the country parson and doctor are also likely to have a field or two. Consequently the number of persons in possession of agricultural holdings is largely in excess of the number of those actually getting a living from the land. As, for the purposes of this inquiry, we are only interested in those who do so get a living, we must devise some process by which what may be called the part-time agriculturalists may be eliminated from the statistics, and with them such share of the aggregate agricultural production as may fairly be attributed to their efforts. This process of eliminating the excess of holders and of estimating their share of agricultural production has proved a somewhat lengthy and difficult one; but, in view of the fact that it is purely preliminary to the main inquiry, I will here give only the results obtained, relegating the details involved and the methods employed to a footnote.<sup>1</sup>

<sup>1</sup> The process of eliminating the part-time agriculturalists may be shown as follows:—

Number of holdings in 1908 . . . . .	508,629
Number of holders, allowing for pluralists (estimate only) . . .	500,000
Total number of farmers and graziers in 1908 . . . . .	272,803
(This was worked from the Census Returns for 1901 and 1911.)	
Number of holders to be eliminated . . . . .	227,197

We are entitled to assume that these last will be the occupiers of the smallest holdings.

#### PARTICULARS AS TO HOLDINGS.

Size.	Number.	Arable and pasture.	Rough pasture.
1 to 5 acres	108,094	340,795 acres	561,327 acres
5 to 50 acres	231,819	4,725,000 acres	4,576,747 acres

We shall have to eliminate the whole of the holders below 5 acres, and 119,103 of those between five and fifty acres. These last will be the tenants of the smaller holdings. Taking the average size of these holdings at the ascertained figure of twenty and a half acres, calculation shows that the 119,103 smaller holdings represent an approximate acreage of:—

1,548,500 acres, arable and pasture.  
1,499,806 acres, rough pasture.

There appear to have been, in 1908, 227,197 holders of land in England, Wales, and Scotland—Ireland does not fall within the scope of the Returns—who did not gain the main part of their living from agriculture. These holders of land were responsible, so far as can be ascertained, for one-nineteenth of the agricultural output of the country. The labour which they employed on their holdings was as under :—

	Permanent. <sup>1</sup>	Temporary.
Men . . .	86,503	21,902
Women . . .	26,643	7,371
Boys . . .	24,277	4,843
Girls . . .	8,715	1,053

With these facts established, within a reasonable degree of

So that with the 227,197 partial agriculturalists, we shall have to get rid of a total of the products of 1,889,295 acres of arable and grass, and 2,061,133 acres of rough pasture.

The total arable and grass for the whole country is 32,211,386 acres, and of rough pasture, 12,801,974 acres.

The pasture classed as rough is the kind of land that is worth about one-tenth as much annual rental as the arable or grass. Therefore, the annual value of the land to be eliminated stands to the total of the land in England, Wales and Scotland as 1,698,480 is to 33,491,583, *i.e.* it is rather more than one-nineteenth of the whole.

It will be noticed that among these small holdings the proportion of rough pasture was considerably higher than for the country as a whole. The produce of such pasture is the same, whether let in small or large areas. We shall, therefore, be safe in allowing the same share of production to this land, as to the same kind in the larger holdings. But with regard to the arable and grass, a claim is put forward that the smaller the holding the greater the production. In some cases the claim is justified; a greater gross productivity is maintained in proportion to the land, though not in proportion to labour expended. But experience goes to show that the small holder, owing to lack of capital, also frequently starves his land, so that, if some of the most highly cultivated land is farmed in small holdings, so also is some of the most neglected.

On the whole it would seem to be fair to ascribe one-nineteenth of the gross production to the 227,197 holders of the land who pursue agriculture as a secondary calling.

The labour upon these holdings has been elaborately ascertained, by taking the percentages of labour, permanent and temporary, for the different sizes of holdings, as given in the official returns. The totals found have then been divided according to the sex and age in the exact proportions found to prevail in agriculture as a whole.

<sup>1</sup> These figures include members of the occupiers' families.

accuracy, the construction of the balance-sheet at length becomes possible.

In the figures that follow, these part-time agriculturalists, with their families, labourers, and products have been entirely removed from the account. For this purpose, one-nineteenth has been deducted from the official returns on each of the following items : 1. Total receipts. 2. Rent and tithes. 3. Farmers' capital. 4. Depreciation of farmers' capital. 5. Feeding stuffs and artificial manures. The dividing line between men and boys, women and girls has been taken to be eighteen years of age, as in the case of the industrial returns.

#### TENTATIVE BALANCE-SHEET FOR AGRICULTURE IN 1908.

Receipts.		Expenditure.	
	£		£
Total sales of farm produce .	150,800,000	Total rent and tithe assessed to Income tax,	
Dairy produce and cider consumed on farms .	3,500,000	less $\frac{1}{19}$ .	39,843,489
Value of hides of cattle dying on farms .	300,000	Local rates at 3s. in the £	5,229,452
		Interest at 4 per cent. on £303,157,895, farmers' capital .	12,126,316
	154,600,000	Depreciation on farmers' capital .	3,310,527
Less $\frac{1}{19}$ due to part-time farmers .	8,136,842	Feeding stuffs and artificial manures .	26,905,279
Total .	146,463,158	Cost of threshing .	[2,886,000] <sup>1</sup>
Less expenses as per contra .	91,064,566	Cost of running farmers' engines .	[57,362]
	£55,398,592	Cost of hop picking .	[706,141]
			£91,064,566

The total sum due to present day human effort involved, therefore, seems to have been £55,398,592.<sup>2</sup>

<sup>1</sup> The figures in square brackets are the results of private inquiries.

<sup>2</sup> The following notes may serve to explain the method adopted in making the above calculations :—

(a) This balance-sheet is not strictly comparable with the Industrial balance-sheets published in the last issue of this *Review*, in so much as Taxation is not included. Taxation may be taken to represent the cost of providing an essential portion of the conditions which render industry possible, and may therefore be counted as part of the prime cost of production. But, when we have an industry manifestly falling far short of the results gained by the average of other industries, we should hardly be justified in assuming that those dependent upon it pay in taxation the same sum per head as the general level of the population. I have therefore preferred to leave taxation out of the account. But the fact must be remembered, if any subsequent comparisons should be made. Probably Agriculture is considerably overtaxed. The landowner is almost invariably called

We are now in a position to attempt the task of assigning their shares to each of the several human factors involved in the production of the £55,398,592, which our balance-sheet shows to be available. In the following table the numbers are given of all

upon to pay Income Tax upon income which he does not receive, while the Land Tax, a kind of minor Income Tax, also falls to his share. The farmer may possibly sometimes pay less Income Tax than he ought to do; but, on the other hand, he pays a great deal in Rates, which he should never pay at all. To make a farmer pay rates upon the annual value of his holding is about as sensible as it would be to ask a ship-builder to pay on the annual value of the iron and steel used by him in the course of business.

(b) Mr. Primrose McConnel is responsible for the figures for Farmers' Capital, and for the depreciation of such Capital. His estimates have been adopted, for the purposes of argument, in the Introduction to the Final Volume of the Census of Production Returns.

(c) The cost of threshing was ascertained by collating the results of numerous inquiries, privately addressed to farmers in different parts of the country. Two shillings a quarter seems to cover the hire of a steam thresher and of all labour, other than that regularly employed on the farm.

(d) The cost of running the farmers' engines was calculated by an engineer, on the basis of the ascertained horse-power, and a weekly period of use amounting to ten hours.

(e) The books of a farm in Kent, which were examined, showed that in three years 206 hop-pickers were employed; and that, on a piecework system, their daily average earnings were three shillings and eleven pence three farthings. In the estimate given for the total cost of hop-picking, wages at the rate of three shillings a day are allowed, and one-tenth of a cwt. per day, the official estimate, is taken as the average daily picking.

(f) The rent for Crown lands let as agricultural holdings is not included in the Income Tax Returns. This tends to make the balance available for the reward of labour seem larger than it really is. The sum represented by the rents of these holdings, if it could be ascertained, should be added to the expenditure side of the account. On the other hand, the rent of grounds used as nursery gardens is included in the Income Tax Returns, while their produce is not counted in the Census of Production. This tends in the contrary direction, as does also the fact that many men, who get a great part of their livelihood from hauling or posting work, call themselves farmers for Census purposes. I have assumed that these sets of contradictory facts balance.

(g) To show how far farming conditions were normal in 1908 I append a table, giving the average of the crops for the five years preceding 1908, and also for the three years following. The particulars for 1912 and 1913 are not yet available.

Crops.		Average for five years before 1908.	1908.	Average for three years after 1908.
Corn, peas, beans	bushels.	248,948,616	244,082,612	247,991,736
Roots . . .	tons	33,309,283	36,681,120	34,865,450
Hay . . .	tons	9,274,191	9,720,139	8,335,661
Hops . . .	cwts	403,831	470,761	281,727



those with claims to be considered. The figures are official, with the deductions necessary to eliminate the part-time cultivators.

	Permanent.	Temporary.
Occupiers . . . . .	272,803	—
Men . . . . .	607,597	82,098
Women . . . . .	187,357	27,629
Boys . . . . .	170,723	18,857
Girls . . . . .	61,285	3,947
Counting women, boys, and girls, as each worth half a man, we get—		
Occupiers . . . . .	272,803	—
Men . . . . .	817,279	106,964
If the temporary hands are taken as working half-time throughout the year, we get— <sup>1</sup>		
Occupiers . . . . .	272,803	
Men . . . . .	870,761	

If we allow the occupiers thirty shillings a week, over and above the interest on their capital, we shall have disposed of a sum of £21,278,608, leaving £34,119,984 available for the 870,761 men's shares. This gives a sum of £39 18s. a year or fifteen shillings and three farthings a week for each.

The thirty shillings a week assigned to the farmers is of course an arbitrary figure. It is taken because it was the amount which in industry was assigned to the foremen, and I wished to err on the side of moderation. Yet even this modest demand calls for a sum exceeding by £7,997,445 the amount, one-third of the annual rental, at which the same farmers would be legally assessed to Income Tax. It may be that the farmer occasionally pays a little less on this assessment than he should, though we know on the other hand that he always pays a good deal more than his share of the rates; but it is extremely unlikely that he escapes to anything like the extent of £7,997,445. So we are, in all likelihood,

<sup>1</sup> The temporary hands were numbered at a time of the year when their employment was neither at its maximum nor minimum. Temporary farm hands are to some extent men of special skill, employed for special work first on one farm and then on another. Many of them work in this way nearly full time throughout the year. The assumption, that the mean number of temporary workers is employed for half the year's working days, is an unsupported guess, forced upon us by necessity.

in the position of having overcalculated the farmers' share in agricultural production, when we put him on the level of a foreman in a workshop, a man with no financial or general responsibility of any kind whatever.

As for the labourers, their average ascertained wage in 1908 was between fourteen and fifteen shillings, so that our calculations have resulted in a division practically identical with that represented by the actual apportionment of wages. Probably the farmers did not average a profit of thirty shillings a week over and above the interest on their capital, and the difference, whatever it was, went in wages to the labourers ; for, though the average labourer's wage was between fourteen and fifteen shillings, the number of labourers earning at a considerable amount above that rate was probably greater than those receiving less, there being a large tract of highly farmed country stretching from Durham right up through the Lothians and including Lanarkshire, where the pay was very much higher.

In face of the uncertainty that exists in the case of so many of the separate items in our calculations, it would be unwise to press the validity of these results too far. All that can be said is that they represent conclusions which seem to be the legitimate outcome of the widest range of figures yet available ; and, though not to be taken as mathematically correct, they probably give an account, true within limits, of the situation as it actually existed in 1908. It is almost inconceivable that mere accident should have guided us through so many calculations to results in substantial accord with actual facts. Assuming then their comparative accuracy, our investigations and speculations have, in the case of agriculture, brought out precisely the same conclusion as our parallel investigation of the industrial facts has already done. We are driven to admit that the present division of profits does not seem to be unjust in any marked degree, however inadequate the share allotted may in some cases seem to be. But perhaps we have hardly arrived at a point at which we can lay this down as finally proved ; for though we have gone into the question of the farmers' and labourers' shares in production, we have not yet examined the part played by the third factor in the agricultural machine, the landlord. I propose now to review the

functions of all three factors taken together, and to see how far the burden of agricultural poverty has been fairly apportioned among them.

The factors involved in agricultural production are:—

*a.* The landlord, who (1) selects the best cultivators, and gives them land; (2) sees, so far as possible, that they farm fairly, and (3) finds the capital for buildings, fences, drains, water supply, and permanent improvements in general.

*b.* The farmer, who (1) arranges the cropping; (2) oversees the cultivation; (3) provides capital for movable stock, and (4) buys and sells.

*c.* The labourer, who does manual work at a fixed wage.

We have already examined the results attending the work of farmers and labourers. The farmer, we find, probably gets on an average something less than the money reward of a foreman in a workshop; the labourer receives about three-fifths of what, from our former calculations, we judged to be the possible reward of the average adult male engaged in industry. I shall now proceed to speak of the landlord, of whom nothing has heretofore been said.

Where there is such variety of circumstance and condition as exists in the case of agriculture in Great Britain, it is hard to make any statement that shall be universally true. But we can say, with perfect confidence, that urban theorists are the sole upholders of the idea that an agricultural landlord is a man who, having by fraud or violence appropriated the land of the nation, draws a ceaseless revenue from it, without visible effort. There is a considerable body of evidence showing that, wherever agriculture is conducted on anything but a large scale, the rents at present paid are only sufficient, after providing for upkeep, to pay interest at 4 per cent. on capital actually expended upon buildings, fences, drains, water-supply and other equipment, leaving either no margin at all or a very small margin to represent the value of the land as such. The truth of this can be tested by any one with the necessary practical knowledge, who will ascertain the rents of farms in his own locality from the assessment list, and afterwards roughly estimate the cost of providing the farm equipment in actual existence. In districts where small farms

are prevalent he will find that the rents paid sometimes seem insufficient to cover even the two items of repairs and interest. On the other hand, in counties such as Northumberland, with its entirely different system of farming, it does appear that there is still an appreciable portion of the rent which may be put down as representing the value of the soil. On the whole, it would perhaps be fair to say that a majority of agricultural landlords receive little or nothing for the value of land as such ; but that a minority do still derive actual rent for the land apart from the improvements upon it. In neither case, however, do the total sums received represent anything like a commercial rate of interest upon the total capital expended, where the land has been acquired by purchase within the last generation or two.

There is further this consideration attaching to agricultural land-owning. Since 1880 rents have fallen 40 per cent. ; but falling rents have not been accompanied by decreasing calls for fresh expenditure. Indeed the cost of the necessary additions to equipment has been constantly rising. To keep a falling revenue from falling still faster, the landlord has been under the necessity of constantly investing fresh sums, without receiving any interest at all ; or to put the matter in another way, he has been forced to invest money at a steadily diminishing rate of return for his total capital.

This outline of the landlord's position is incomplete ; but it should be sufficient to show that he has at least borne his share of the pinching, rendered inevitable by the world-wide competition of virgin soils with the agriculture of an old country. Between them the landlords, the farmers, and the agricultural labourers of the country have kept farming going during a time of most severe stress.

The question which naturally arises is—why have these three classes of men been content to receive rewards, apparently considerably less than those which might have been obtained in other ways ? The answer to this question is twofold ; first, largely because they could not help it ; and secondly, because in each case there have been compensating considerations at work, which, though not always evident on the surface, have had a real influence in adjusting the balance.

It would have been impossible at times of deep agricultural depression for landlords to realize their estates except at a loss. The farmer was chained to the country by the fact that farming skill is largely a local matter, and loses much of its value when transferred to new countries. The labourer, though his case with the colonies calling for him on every hand was the best of the three, was often kept from emigrating by age or the difficulty of moving to a fresh life, with a family dependent upon him. The force of necessity has therefore acted upon all three factors, and in a kind of scale. The landlord has felt it most and the labourer least.

In regard to the compensations which have been at work, the landlord has gained from the sporting advantages of agricultural property, from the prestige attaching to the ownership of land, and from sentimental local attachments.

The farmer has been favoured by the fact that, though his money gains might be small, yet he has had a house rent-free of the value, on an average, of from £15 to £20 per annum, and that a large part of the living of both himself and his family has come out of the land, in the shape of garden produce, ground game, and produce not accounted for in the total sales of farm crops, upon which our calculations have been based.

The case of the labourer is more complicated and cannot be dealt with in such summary fashion. There is reason to believe that, in spite of common opinion to the contrary, his real rewards as opposed to his nominal wages have in recent times given him as good a life as the average town worker. But the truth in these matters does not lie at every roadside for the casual inquirer to pick up. Only residence in the country year in and year out, with opportunity of really seeing how lives are there lived, can give the necessary ground for knowledge. This is why investigations, such as those recently conducted by Mr. Rowntree and Miss Kendal, must always fail to convince those who really know. They are conducted in the urban way, with the urban standard of values in the back of the mind, and in almost complete ignorance of country circumstances and country character.

The first quality of the country is reserve. The power of the tongue, where all one's most intimate concerns are also the

concerns of the neighbourhood, is of a strength undreamed of by the urban mind. The lash of gossip has taught a reticence, which only the most intimate and trusted of acquaintance can really pierce. The women, who are willing to talk to strangers on their most intimate concerns, are the least representative of their class and their talk the least to be relied upon. The only road open to the strange investigator would be the political. The local political agent might select women for interviews who would talk; or a broad hint from the stranger that revelations made might be used to the detriment of neighbours better off, or to further a flaming propaganda of some sort, would in some cases be sufficient to secure an outpouring. But the best women would not be drawn in this way; and to a person who really knows the country and has friends among the labourers, the idea of interviewing strange cottagers on the subject of their household expenditure is quite as unthinkable as similar inquiries would be if directed, at short notice, to a person in any other walk in life.

The present writer has spent the last ten years in purely agricultural districts in Devonshire and the Midlands. Previously he lived for a time among the small farms of the Westmorland valleys, while a great part of his youth was passed in agricultural Northumberland. On the observations of the last ten years he is able to say :—

(1) That, where the family does not contain more than four or five children, the labourer does not consider himself at all badly off. He would say that with care there was enough. I well remember hearing a most intelligent old villager in Devonshire, and a great Radical politician, say that people had never been so well off as in recent years, in fact that “they were almost too well off to work.”

(2) That neither the labourers nor their children are, as a rule, badly nourished.

(3) That the male labour is so fully occupied that the only floating labour in a country place is often that of defectives.

(4) That casual labour, when obtainable, works for non-agricultural employers cheerfully and well at rates just above the agricultural level.

(5) That there are many chances for the women of earning

money, but that they are often so satisfied with the regular earnings of their husbands that they do not consider it worth their while to accept them. In illustration of this point I may say that it is often very hard to get a woman to undertake a day's cleaning or charing, either for a neighbour, a farmer, or a gentleman's house; that five villages were on one occasion searched in Northants, without bringing to light a woman, who for ten shillings a week, her food, and a room to herself would undertake a little simple night-watching for a week or two; that there is often a difficulty in getting the church or school cleaning done; that the daughters of farm labourers in service frequently throw up their places and come home for very trivial reasons.

(6) That the dress, especially of the younger generation, shows no sign of pinching; and at village jumble sales there is great difficulty in selling anything, no matter how good, if it is behind the fashions.

(7) That the keepers of village shops always enlarge upon the amount of money the children of the poorest folk spend on sweets; and that the cigarette, a very wasteful form of smoking, is very much in evidence among the young men.

(8) That there is always money forthcoming to buy tickets for entertainments.

The only legitimate conclusions to be drawn from all these facts would seem to be that the male labour of the country is fully employed at such rates that the wants of his family are adequately supplied, and that the wives and children do not generally think it worth their while to attempt to add to the family income. If this is so, it becomes clear that the real rewards, including extra earnings and the special opportunities which the country offers, have not been fully valued by people who hold the impoverished and ill-nourished serf theory of the English farm labourer. The extras are provided partly by the landlord, who gives a cottage and garden at from one to two shillings a week below the economic rent; and partly by the farmer in the shape of leave to pick up firewood, sometimes in a regular provision of firewood, in special money for harvest work, occasionally in a definite provision of potatoes. The

opportunities consist in the possibilities of a garden and a pig-sty, and the chances, which a countryman's wife has, of bringing something to the family store, without neglecting her special duties, chances which are almost entirely denied to the town dweller. This last is a point of so much importance, and has been so much neglected, that it deserves fuller elaboration.

The urban intelligence, having put down the agricultural labourer as the lowest of the human species, proceeds to picture his wife as a downtrodden starveling, beset with swarms of dirty half-fed children, for whom she slaves from morning to night, without appreciable result. The picture is one which the facts hardly justify. Probably the hardest driven woman in the land is the working farmer's wife, whose day must often, for months on end, last from 4 a.m. to 11 p.m., but the labourer's wife is usually a person of considerable leisure. Much depends on the size of her family, but families do not rule so large as they did. An average of four children would, within the writer's experience, represent the normal level, and it is for the normal that we legislate. While the children are small, the mother is undoubtedly tied; but, so soon as they come to school age, she frequently has the day from 8.30 a.m. to 4 or 4.30 p.m. entirely to herself. There is the family cooking to be attended to, the family washing and mending to be done, but the house itself is small and the labour of housework is small also. The consequence of this is that she has, as a matter of fact, a good deal of spare time. The following is a list of the ways in which she employs her leisure, her object being to gain either money, or things useful at home, or both of these combined with interest and variety:—

(1) She may give occasional help at the farm-house. The scarcity of domestic servants is now felt as acutely in the farm-house as elsewhere.

(2) She may give occasional help in other houses.

(3) She may give help in sickness.

(4) She may give an occasional day to stone-picking in the fields.

(5) In hay-time she may give help in the hay-field.

(6) In some districts she is always at liberty to gather fuel. Wherever she may live, at times there will be a travelling saw-mill



in her neighbourhood, and she may be able to get waste wood for the asking and taking.

(7) In their proper seasons there are flowers, cress, blackberries, and mushrooms to be picked, and either sold or used at home.

(8) There is generally a garden, in which something can be done at most seasons of the year.

(9) Where the pig-styes have not been condemned by the Sanitary Authority as too near the house, a labourer of the more careful sort usually keeps a pig. Sometimes a labourer can keep a few fowls, but generally only in captivity. A restraint has to be placed on his freedom in the matter; for the man in a row most likely to keep fowls is almost sure to be the worst gardener. Unless restraint is put upon him, he will run his fowls to the ruination of his neighbours' gardens. The care of both pig and fowls falls to the woman's share.

(10) She may take in washing. There is a keen demand in most country places for some one to do washing.

(11) She may undertake the cleaning of the church, chapel, or school.

It is not suggested that any particular cottager will habitually engage in all these extra occupations, though I have known a woman who practised most of them, and that with a gusto which converted even a day's stone-picking into an enjoyable family picnic; and yet another who, with twelve children to her credit, took seven prizes at the village flower show and crowned the brilliance of a glorious day by coming in first in the women's flat race and winning a pound of tea. The point is that the opportunity for exercising such occupations exists almost universally in the country, whereas in urban life they are almost entirely absent; and that, unlike the occupations for married women which the town affords, these occupations can nearly all of them be carried on without domestic detriment, and a great part of them, especially those in which the children can join, with a distinct advantage to the family sense of responsibility. What the yearly money value of these multifarious opportunities of the country may amount to, it would be impossible to say. Indeed, I have no wish to assess them. I only wish to point out that they do form a real easement to the family, and are attached

to the position of a country worker as a part of the conditions of his life.

Setting aside the wife's earnings and pickings, the extra earnings of a farm labourer probably average about four shillings a week throughout the year. A Devonshire labourer, whom the writer knew well for five years, said that he reckoned his extras at sixpence a day. He was on a poor farm, and would not count in this sum the advantage on his cottage. His sixpence probably represented the common notion in the district as to the value of "privileges"; and to it must be added at least another shilling a week for the cottage reduction of rent, which would give a total of exactly four shillings. In the same district a farmer, who is his own landlord, has recently put his labourers on a fixed wage of eighteen shillings a week, with no extras except the advantage on cottage rent. A similar offer is reported from East Anglia, only there the proposed rate, twenty shillings a week, was refused by the labourers, who considered that they were doing better under existing arrangements. In Northumberland the "privileges" with a cottage entirely rent free must amount to something very like five shillings a week in money value.

The outcome of the whole matter is that the real wages of the agricultural labourer work out at very nearly £1 a week on an average. In some cases considerably more, in others rather less. Over and above this he and his wife have the advantage of the country opportunities enumerated above.

Considering the skill and knowledge that he brings to his work and the exposure that he has to endure, the farm labourer is not extravagantly paid. He might well earn more, if the industry could provide it. Of recent years this has not been the case, and the labourer has shared with the farmer and the landlord in the poverty of their joint industry. Now at last there are definite signs of improvement; and, if economic laws can be left to work out salvation, without the interference of urban ignorance, there is a brighter prospect ahead. At any time within the last twenty or thirty years there has been the strongest case for doing something for Agriculture; now the necessity is passing, and all that agriculture asks is to be let alone.

The three needs of agriculture are—

- (1) Higher rents.
- (2) Greater profits for farmers.
- (3) Higher wages for the labourers.

Higher rents are needed, so that there may be security for the investment of fresh capital in cottages and other improvements. Greater profits for the farmer are needed to put him on a financial level with men who undertake similar responsibility in other walks of life. Higher wages are needed for the labourer, because his calling is one of great skill and dignity, and he will not really be convinced of the fact till society endorses it on his pay-sheet.

These three needs amount to so many separate demands that the value of the total agricultural output of the country shall be raised; whether by growth in its bulk or by a rise in its money value is immaterial, so far as the industry itself is concerned. The existing value has proved insufficient to provide, at the same time, for the maintenance of output, and for adequate rewards to those engaged in the production of that output. The question then is by what means the required rise can best be secured. The idea that any great increase in the bulk of production, without corresponding increase in cost, is likely to be rendered possible by changes in agricultural methods, is rather an urban theory than the opinion of people with knowledge. Independent evidence does not seem to indicate that the farming of the country is, on the whole, badly done. It is not so much that our farmers are bad, or slow to move, as that economic bands have cruelly constricted their movements. We need not look for a new race of farmers, so much as for the influence of a kindlier prosperity on the old. Least of all must we expect that plenty will be assured by that political craze of modern times, the indiscriminate and artificially stimulated increase of small holdings. Indeed it is a pointed commentary on present tendencies that the only part of the country where the farm labourers have always been well off, and, where the farmers have on the whole done fairly well, is just that district where the holdings are the largest and where some margin of rent has always remained available, after allowing for the necessary outgoings and for interest on capital sunk in improvements. Still, if by improvements of any

kind the yield can be sensibly increased, so much the better. But it is rather to an increase in relative values, than to an increase in the bulk of output, that the present brighter outlook is due. In this lies the hope of the future. From world-wide causes the prices of agricultural products, in comparison with the prices of other commodities, are rising, and are likely to continue to rise. The value of the total rise will be automatically distributed among the three factors involved in agricultural production. The increase in profits to farmers will lead to increased competition for farms, and so to increased rents; the increased rentals will justify the needed outlay of fresh capital, whether in cottages or other improvements; while the labourers, strong in the fact that emigration has reduced their numbers rather below the level of requirements, will be able to make good their claim to increased wages.

There is only one change in agricultural customs and conditions which I confess I should like to see brought about by summary means. I should like to see it made illegal, with proper provision, of course, for the employment of the usual seasonal and temporary labour, to hire a farm labourer for a less term than six months. If hiring only took place at Lady Day and Michaelmas, the harshness sometimes attaching to the tied cottage system would be done away. It is mere unpractical folly to tilt at the tied cottage. It is impossible to have cottages in duplicate; the supply can only be of such a size as is required to shelter the cultivators of the soil; and, if the cultivators cease to cultivate the soil to which their particular cottages are attached, they must take the consequences. The cottages of the country are official residences, like the lodges in private parks, the vicarages, bishops' palaces, and 10, Downing Street: when the functions which give the right to their use cease to be performed, their occupants must go. But, if the power of giving short notice were taken away on both sides, possible hardship would be reduced to a minimum, and the labourer would always be able to count upon getting the fruit of his labour in the cottage garden. This security for a longer period together with an "upstanding wage," paid wet or fine as in Northumberland, would, without any increase of the money passing, place the farmhand of the midland

and southern counties in a very much better position, and result in increased contentment.

The value of the Agricultural Census of Production has been that, while it has made quite clear the relative poverty of the industry, it has shown that, as seemed to be the case with the industrial figures, the division of profits, settled by economic forces, is not in the main unfair. With these facts established in our minds, we shall be in a better position to face the real problems before us.

L. W. WILSDEN.

## MUNICIPAL WAGE DISPUTES.

THE recent municipal disputes at Leeds and Blackburn have raised some general questions on which there has been an acute difference of view. This was somewhat emphasized at Leeds because of the action which was taken, at the request of officials of the Corporation, by University students who gave their services in place of the strikers, and thereby drew special attention to the whole policy of strike-breaking as carried out by citizens, as distinguished from ordinary "blacklegs." Such problems were raised as the following: Is a municipal strike different in kind from an ordinary strike? Have municipal employees the same right to strike as other employees? Has the community the right, in case of a municipal strike, to defend itself by "doing things for itself," through the action of citizen volunteers, who would refrain from such action in case of an ordinary private dispute? Is there a special justification for civic strike-breaking in the fact that municipal industries and services are vital to the health and welfare of the whole community, and should therefore be carried on at all costs? Is there a further justification in the Syndicalist tendency of municipal strikes? There are other details, but such were the main issues.

I do not think the question should be argued as one of "blacklegging." The significance of citizen action is quite different. If a strike is blacklegged, in the ordinary sense, this means *either* that the claims made by the strikers are not well supported by workmen themselves, so that a grievance is not generally admitted; *or* that the workmen are not well enough organized to have control over common action, and this, too, must be allowed for in considering the claims. But the action of citizens in becoming employees may or may not rest on any circumstances which help us to estimate the grievance of labour; it may be purely defensive

action, and that may have a number of motives, both selfish and unselfish. The extent to which citizen action is called for is a measure of the extent to which workmen do not blackleg; and weight should be given to this in considering at least whether citizens should give their services without conditions of conciliation, or without some clear idea of the merits of the claims made.

Is a municipal strike an ordinary strike—or is it rather an attempt to hold up the community in respect of some vital services? In reply to this it may be pointed out that all strikes hold up the community at some point, this being simply the further definition of a strike; and that great difficulty will be created by the use of the term “vital,” since there are many private industries whose products are not less vital than some of those produced by municipal industries. Can we get on longer without gas, than without the coal from which gas is made? Services which in one city are municipal, like gas and electricity, are in other cities privately owned; would it be right to break a strike in the latter case? On the “vital industries” argument, yes; yet it would be interfering in a private dispute, and no longer the community “doing things for itself,” failing its own employees.

It is evident that this argument will carry us further. The grounds on which certain industries and services have been municipalized are in most cases technical; they follow from the local nature of the industries, and the distribution over a wide area of the fixed plant. Labour questions have had nothing to do with it. The fact that certain employees come under a new employer does not alter the essential features of their work. As employees, they are no more and no less the servants of the community than they were previously. And, *per contra*, those local industries which have *not* been municipalized are not for that reason alone to be regarded as less vital or necessary. The meaning of the community in its industrial aspect, as a complex of mutual rights and services, is not altered by the outward form of employment. The baker and the plumber are servants of the community no less than the gas-worker and the tram-driver. Consideration of the right to break a strike requires more, therefore, than the mere statement of municipal employment, such as

is implied in the expression that the community has the right to "do things for itself." This would mean, so far, that certain workmen were being put under a special disability on quite a formal ground.

We are therefore carried on to ask, What are the rights which the citizen has in case of *any* strike, which threatens his supplies and causes great inconvenience or loss? In seeking an answer to this, it must be kept in mind that the whole of a great social question lies behind strikes, and that none of the community suffer more than the strikers themselves, and those who depend on them. The citizen must take such action as he thinks is fair, having the fact of the labour problem in his mind, and being willing to face some inconvenience as his share of the problem-tax. In my view, he is always entitled to do for himself work which others refuse to do; or to obtain substitutes for a stopped supply. By so acting, he takes no side in the dispute; he does not assist the waiting power of employers or workmen. There are few services in regard to which the citizen cannot make a shift to get on for a time in this way. Again, the individual employer, being a party to the dispute, is obviously entitled to keep his own machinery running as best he can, or to cart his own supplies, and so forth; he should have the utmost freedom and protection so to defend himself. But any one who becomes an employee takes a side; he ceases to "do things for himself," and assists the employer by adding to his waiting power. This is the action which must either be based on a clear conviction that the men are wrong, or must at least be taken on some condition of a full inquiry into the men's claims, and stopped if the claims seem good.

It may be replied that, in a municipal dispute, the community is the employer, and that therefore immediate self-defence is, on my argument, always right. But I hold, as previously stated, that when we are speaking of the community the form of employment is of no importance, and that the consequence of insisting on it could not be accepted by any one. This is not so with the private employer; it is the community as a group which makes the form of service irrelevant. The community is, as a whole, what the individual employer is not, the buyer of all the local services



and products, and its responsibilities are the same to all its members. The attempt to make an analogy between the ordinary employer and the community is upset by the fact that municipal workmen are themselves members of the community. It is truer to the facts to say that the Corporation is the employer, and that the citizens ought to exercise the same freedom of criticism and action in reference to the Corporation's discharge of its trust as they exercise in the case of any individual employer ; or even in regard to the Corporation in its other activities, as, for example, when it puts up the rates. The individual citizen is not then so willing to identify the Corporation with the community. This being so, I do not think that the expression, "the community doing things for itself" bears examination, or is a good defence of civic strike-breaking in municipal disputes. I should go further and say that the expression is difficult to interpret at all. It is the individual citizen who acts, and he is not as a citizen a shareholder in municipal industries, or affected by a strike as the private employer is.

One of the main grounds for such action is, I believe, that in a municipal dispute a number of services are held up at once, while a private dispute holds up the community in respect of one service only. This is certainly an important fact. We must ask how it comes about, and where the responsibility is to be laid. It appears to follow from some features of the services which are most commonly municipalized. These services are essentially local, and disputes are likely to be local affairs. A national strike of municipal employees is a very unlikely thing. The services are local, those of one city not competing with those of another in any market, and the standards of pay are as local and variable as the costs of the services. This localization of the dispute gives it the appearance of a special attack on one community, so that more hostility is aroused than in the case of a strike in a national industry, which is regarded with more considerateness of the labour problem. Further, within any locality, the municipal employees are likely to have to act together as such, and not along with workmen doing similar work for private employers. For the Corporation is differently placed from other employers who work for their own standard of profit, and could hardly form

one out of a number of members of an employers' association to bargain with labour. It has local monopoly, and rates to fall back on. Municipal workmen are therefore likely to feel that they are grouped by the facts of the case into a body bargaining with a special employer; and the grouped action which they take in a dispute follows from the action of the Corporation itself in grouping a number of industries under its control. This grouping is a fact of industry before it is a fact of labour, and is the latter because it is the former. On this account, a municipal dispute affects a number of services at once, and gives an appearance of Syndicalist action where there is no Syndicalist purpose.

It may be indicated here that the Syndicalist method of group action was a fact of capital before it was a fact of labour. The policy of grouping a number of industries under one control, for the sake of greater economic power, existed on the side of capital under the name of "integration," long before it was adopted by labour under the name of Syndicalism.

Any citizen has the right to take a side in a dispute if his conscience is clear that he ought to do so. My purpose is only to argue the case of municipal disputes in the light of all the facts, and to ask that cause should be shown for such action in this as in other disputes. There is, I hold, great difficulty in showing why municipal workmen should specially be proceeded against in this way. And there are further considerations, both *pro* and *con*, to which attention may be called.

Stronger action should not be taken against workmen than could, in similar circumstances, be taken against employers. The constitution of industry prevents citizens from breaking a lockout by the same direct action by which they can break a strike. So far as municipal employment is in question, a lockout need not be seriously considered. The general bearing of this argument is on the possibility of strike-breaking by citizens in local industries which, though private, may be considered vital to health and welfare. On the arguments which have been used at Leeds, citizens would have in consistency and sincerity to proceed in the same way in some non-municipal disputes; and would therefore be bound to consider by what means they could take equally

effective action in a lockout in which they thought the employers were in the wrong. Further, the impossibility of a municipal lockout does not solve the wages question, or meet the case of individual dismissals; and it would therefore seem incumbent on citizens to ensure, before they act as temporary employees, that adequate means exist for bringing pressure to bear on the Corporation through machinery for publicity and conciliation.

To this must be added the consideration that the action in question is possible for citizens only so far as they can obtain leisure or leave of absence for the purpose; and as these are to a great extent privileges of those who are not wage-earners, some responsibility attaches to the use of these very privileges to defeat an artisan strike. Workmen could not retaliate in kind on such action. This consideration is perhaps a very broad one, but we have to consider the social equities, lest we suppose that we have discovered, by the use of non-artisan opportunities, a new way of proceeding against strikes.

And, indeed, this latter point of view emerged in the case of the Leeds dispute, in one or two points of detail which were put forward. It was claimed, first, that the problem of reinstatement was less acute when the strike was defeated by citizens who had their own work to go back to afterwards; and the strike did in fact terminate on the day on which the University resumed work. This consideration is of force, provided the volunteer labour has not been used by the employers simply to wear the men down; that is to say, if it has been given pending open discussion of the claims made. But if, as at Leeds, it enables the Strike Committee of the Corporation to refuse to recognize that there are hostilities at all, the effect may be so to prolong the strike that new labour is gradually taken on, and to make reinstatement (again as at Leeds) one of the chief problems of settlement. Secondly, it was claimed that the policy gave the citizens an opportunity of testing by their own experience the conditions of labour themselves. It must, however, be remembered that the citizens, and especially some classes of them, did not have to live on the wages they got; and that the problem behind a strike is one of wages in relation to a standard of living. Thirdly, it was contended that the very inconvenience of such citizen

action drew attention to the claims of the men. But the right time for this is before a strike ; and, unless there are some special circumstances, grievances are not properly called attention to by defeating the final method of getting them put right. Further, so far as the inconvenience of strike-breaking calls attention to the men's grievances, we have first to deduct the chance of hostility so created ; and also to remember that the citizens, who have to make a shift to get along without the services, already have a great deal of inconvenience in their minds.

No one would wish to minimize the gravity of having a number of local services, including especially the sanitary services, of a city stopped together. The purpose of my paper is not to argue that a strike is always right or even well motivated ; but only that, in our present social position, there is much to keep in view before proceeding by direct action to defeat even so formidable a strike. Especially would I point out that we cannot evade the responsibility by refusing to speak of strike-breaking at all, and saying only that we are " carrying on the industries " which are of such fundamental importance. In practice the two things are the same, and individuals may act on very different motives in lending their services. We simply have to be clear on the issues, on the means which exist for the full discussion of grievances, and on some social equities which are involved in such action. It might not always be easy to decide these questions in the particular case. But the formation of Citizens' Leagues is not a good way to ensure cool and impartial action. The British system of conciliation and arbitration offers a wide choice of methods of procedure, before and after a strike.

The suggestions with which I conclude will both seem novel, but perhaps deserving of consideration. I think, in the first place, that there are some strikes whose purposes would be quite well served if they did not aim at being total strikes. Few strikes, indeed, are total strikes ; a margin of labour does continue to work. The withdrawal of a certain proportion of the labour, at least in the first instance, might be quite sufficient to press the grievances home on the community, and enable the men themselves to put up with less privation. In addition, a partial withdrawal of labour would really enable the employer to estimate,

by his different expense of working, what the labour so withdrawn, and therefore all the labour, was worth; while a total strike defeats the chance of making any such estimate. But the method, or preliminary method (in case the pressure of a strike were applied gradually) of a partial strike, would have to be accompanied by an understanding on the other side against the use of "blacklegs" or other imported labour. Local disputes might be capable of treatment in this way, when negotiation has failed, and the men themselves might gain, since the attempt at a total strike does, in fact, create great hostility in a city. There would be enough inconvenience, and not enough hostility, to prevent the abandonment of discussion.

Or, in the second place, it might be possible to apply to some disputes, and especially to municipal disputes, the method of charge and recovery, which is already in use in other branches of social administration. Where great privation is likely to be caused by a strike, a way might be found of making an *interim* concession in wages, in order to keep the industries going, it being left to the settlement to say if any or all of this advance is to be recovered from future wages; and this would largely depend on what was finally thought of the fairness of the claims made. If negotiation of the usual kind failed, such an *interim* advance might be made, on condition of a speedy arbitration, the award to include the question of the advance and its recovery. In case it had to be recovered, the Trade Unions would for a time make good to their members the difference in wages, if the other results of the award made this desirable; while non-unionists would simply have it deducted from future wages over a time long enough to spread the loss. This is a much less expensive use of Union funds than strike pay. The comparative permanence of municipal employment might make this method worth trying in such disputes, since the same men would be dealt with all the time.

D. H. MACGREGOR.

## MUNICIPAL EFFICIENCY.

IT seems to be high time that we considered the question of municipal government. We have allowed the fascination of the parliamentary precedent to carry us very far. The idea of representative government as a safeguard of individual liberty and as a security of public rights has so affected us that we have grown to think that, on the basis of general election, we shall be able to conduct the business of municipal management. Similarly we see the intrusion of similar ideas into the affairs of the Church. Deans and even bishops declare themselves on issues of the day as if their work was done when they had converted the populace to this or that idea. Now popular government may be the foundation of righteous dealing when it is concerned with legislation. In the making of the laws there is everything to be said for the people choosing those representatives who will bring their opinions to bear in the framing of legislation, and who will also represent a particular point of view so that particular interests may be taken into account. But when local government, or the management of local affairs is to be considered—it is better to call the process “management” rather than “government”—we are face to face with a different condition of things. Municipalities now conduct so many enterprises on behalf of the citizens that the real matter of importance is the efficiency of management rather than the theory of popular representation. Thus it comes about that the average municipal election is a farce. Every one admits that it is of all things the most foolish that men should stand for municipal management as Tories or Whigs. There may be something more to be said on behalf of Labour representation, for possibly it is true that the particular classes thus represented have special claims in the matter of local management. But even here it is doubtful if specialists in the several businesses which

are to be undertaken would not bring about a better result from the point of view of the poorer ratepayer than the absurd system of making a mere politician attempt to manage a gas plant, or a tram system, or a water supply.

The whole system of municipal government is an absurdity. Sometimes it is claimed for it that it is a good training for the future members of Parliament, though in truth the functions are totally different. We see the average ward election conducted in November. The party machinery which has Home Rule or Tariff Reform as the centre of its being comes forth to fight for a member. The posters are printed in the party colours. After the election the London newspapers conjecture what is the bearing of the municipal elections upon a possible appeal to the public on Imperial questions. We find that Conservatism wins a seat in Liverpool and that Labour wins a couple of seats at Manchester, and from these facts the cunning ones divine what may happen at a Parliamentary election. This in itself is a sufficient condemnation of the present system, for the extension of the bounds of a town are of far more importance at the moment of a municipal election than any Imperial issue. But in the consequence of this diversion of interest there is the pitiable apathy of the electorate in respect of municipal elections. There is also the unfortunate fact that many towns find the greatest difficulty in bringing those men who are the worthiest in the life of the town to be candidates for election. And what is even more curious, no one can see the differences of party in the details of municipal management. The Conservatism of Liverpool acts in municipal affairs in exactly the same way as the Liberalism of Glasgow. Towns which are overwhelmingly on one side in politics fight hard for the same municipal creeds as those overwhelmingly on the other. Municipal enterprise goes on just the same in Conservative as in Liberal hands. Drains are laid; roads are repaired; electric light schemes are promoted; trams are installed—and no one can find any ruling principle between the towns which are in the hands of one party and the towns which are in the hands of another. In respect of education much the same applies, and though we hear mutterings at times of persecution, the fact remains that on the whole the education committees of one town and another are as like as peas.

But there is one general basic fact, and that is there is appalling waste. Before this fact is considered it is just as well to make it clear that there is exceedingly little evidence in England of anything savouring of corruption. "Graft," as the Americans call it, has been hinted at again and again, and there have been some half-dozen cases in the newspapers. And there is certainly a certain amount of uneasiness on the subject. But so far as can be ascertained, though there have been a number of regrettable instances of favoured treatment of contractors, and of speculation in land with a view to obtaining the unearned increment by special knowledge, there has been only a small percentage of cases where municipal authorities, however unenlightened and negligent they may seem to be in the main, have been guilty of positive conspiracy to defraud the electorate. But on all hands there is ample evidence of waste. Municipal matters are conducted with reckless extravagance on the whole. There is little idea of true business capacity, save in a few instances where a strong mind has infused high ideals into the minds of the members of the corporation. Whatever may be thought of those refined business methods which come to us from America, there are precious few signs of them in the conduct of municipal business. And is it likely to be better while it is conducted by amateurs? Let us look, for example, at the composition of the usual committee entrusted with the control of police, or of health, or of gas and water. We shall find that the members have no special fitness for the positions which they hold, and that in many instances they act under the guidance of the professional heads of the departments. In education it is something better, for the adoption of the system of co-option has had an excellent influence. But of the main body of municipal control, as we find it in provincial towns and cities, it is not too much to say that expert management is far to seek.

Before we come to consider the American system of government of municipalities by commission it will be well to notice that some of the more striking defects of the ordinary method of "ward" elections in America have not manifested themselves in England. This is apart from the matter of corruption or "graft." Though it is true to say that municipal administration in England is in



the hands of amateurs, whose claim has been largely on the grounds of their political loyalty, yet something has been done to attract popular enthusiasm for civic enterprise. Perhaps the solution for English conditions lies somewhere between the American commission system and the English system. Perhaps it might be possible to combine the virtues of both arrangements. That is to say we might continue to have popular election on some modified plan, without the very crude and somewhat materialistic device of electing experts only. But at the same time there can be little doubt that the commission system has brought wonderful results especially as regards economy.

The water supply of New York may be given as an instance where remarkable economies were introduced. According to a recent study of the New York water supply, in the year 1910 the *per capita* consumption of water for New York City was placed at 127 gallons per day. "Through the vigorous campaign against water waste resulting from the efforts of the department to conserve water during the protracted droughts of 1910 and 1911, the daily *per capita* consumption was reduced to 93½ gallons. This important economy was accomplished by a house to house inspection for the purpose of discovering leaking fixtures, and by the use of the pitometer to determine the presence of leaks in mains. Direct appeal was made to the individual consumers through means of a pamphlet, widely circulated by the department, illustrating leaks caused by bad workmanship, and faulty material used in plumbing fixtures. The pamphlet emphasized the fact that a leaking faucet wastes annually from two to six dollars' worth of water."

This improvement was not itself brought about by the commission system, but it is quoted as showing an instance of unconsidered waste. Another instance is to be found in respect of the New York sewers. The maintenance force of the Bureau of Sewers was re-organized in somewhat similar circumstances, and the result was that an economy of 43 per cent. was brought about in an incredibly short space of time, while the efficiency was improved some 275 per cent.

The commission system took its rise in Galveston. In that city, after the disastrous flood of 1900, something had to be done,

and it had to be done quickly, so a "commission" was appointed. The commission system proved to be such a success that it was imitated all over the United States, and between 1906 and 1912 no less than 186 American cities had adopted it. The central idea is to substitute business methods and scientific management for the old system of political controversy. Politics are banished once and for all from the municipal arena. The contest between the rival managers lies solely in the methods of economic and efficient control. Municipal management has come to be a recognised science, and it has proved to be sound economy to reward its officials with high salaries. The defect, if it has a defect, lies in the fact that where it succeeds it succeeds rather too well. The people are apt to trust their municipal controllers just a little too implicitly. It is a vicarious method of government, and this is not without its disadvantages. But the English method lies at the other extreme, and the unpaid representative is given a business responsibility for which too often he is not capable, and which he necessarily undertakes with rather less than full and enthusiastic interest. Politics throughout is his business, and he administers the affairs of his town with politics ever in the foreground of his vision.

The central features of the commission system are thus described by Mr. Frederick Donnelly, the Mayor of Trenton. The municipal government must be placed in the hands of a small body of men. These men have in their hands absolutely the full municipal government of the city, having only one authority above them—viz. the power which resides in the people, under certain conditions: (a) of the "initiative," by which the people may initiate certain municipal action; (b) of the "referendum," which entails the power of direct voting on municipal projects; and (c) of the "re-call," which means that the commissioners may be removed at the behest of a certain number of the citizens. But these powers obviously are unlikely to be exercised so long as the commissioners continue to give good service, and they may be looked upon therefore as residual powers. The commissioners are elected "at large," that is, there is no division into wards and the like. This is essential to the commissioner system, for each of the commissioners will have his own particular responsibility, and it is important that

the community as a whole should realize to whom they are about to entrust this or that portion of municipal enterprise. Each commissioner therefore takes charge of one section of municipal activities. He makes his claim to the electorate at large on the ground of his fitness for this work. But he has a two-fold capacity. Not only is he individually in charge of a particular section of municipal activities, but with his brethren he forms a board of control. This board is given such legislative functions as are possible under the charter of the city, and it is also given the power of general administration, including the choice of subordinate officials. It is clear that the commissioners, having their own reputations and indeed their very positions at stake, and being freed from the political "pull," will be less inclined to the old favouritism than was the case with the municipal representatives chosen by the system of political election, especially when that system was additionally vitiated by the somewhat low standard which prevailed in American towns previous to the introduction of the commission system. Probably this is the main reason why the commission system has proved to be so popular. Certainly it is the fact that no town of the two hundred which have adopted it will listen to any proposal to change back to the old arrangement. The "Ward" bosses are evils of the past to which the voters have no desire to return.

This is the outline of the system. Mr. Donnelly claims for it that it has produced something like enthusiastic unanimity in municipal action, where previously on every question which arose the larger bodies, more or less equally divided between two political parties, only procured municipal action as the result of a stern conflict. The electorate, too, has a full knowledge of the actual person responsible for each section of municipal enterprise, and it has the power of visiting its displeasure on him. This is claimed as a further advantage in that the electorate watches more closely when it knows the individual concerned than it would if only a general body, the result of a "ward" election, discusses things on the grand scale and deposes its executive and administrative action. Again he claims that the election, being conducted solely on the ground of the would-be commissioner's ability, and apart from party labels, is more likely to deepen municipal interest.

Certainly the experience so far has been that the commission system has severed the old vicious connexion between local politics and state and federal politics, and the consequence is that the local "tammany" has had its wings clipped. And it is equally true that the production of the city's balance sheet has been on sounder financial lines since it was taken in hand by a group of business men, each of whom has a double responsibility, the production of the balance sheet as a whole and the production of the particular balance sheet of his own section of municipal business.

Most startling to English readers is that portion of the system which includes the initiative, referendum and re-call. Here it will be well to quote Mr. Donnelly :

"The scintillating feature of commission government is the power of public expression that is given to the citizens themselves : the privilege of taking it into their own hands if they believe their representatives fail to realize that public office is a public trust. This power lies in the initiative, the referendum and the re-call. In order that these strictly inherent features of modern municipal government may not become the dangerous playthings of selfish whims, or of over-zealous rectitude, the founders of commission government have thoughtfully prepared a means whereby their aid can only be invoked when so requested by a large percentage of the citizens of the community involved. The common mode of preventing the abuse of the initiative, referendum, and re-call is by requiring the filing of a petition signed by a substantial percentage of the citizens who desire to resort to any one of these three modern weapons of public expression. Thus, it would be an extremely difficult matter for a group of citizens actuated by personal bitterness or unfriendliness towards a commissioner to make use of the re-call, unless substantial proof was offered which would clearly and conclusively show that the application for removal was based on well-founded contentions."

In order that these public powers, lying in the background though they may be, shall at all times be possible, the widest publicity is invited. All the meetings of the commissioners are open. There are the fullest records and minutes of all their doings. These minutes and records are available to the public at large. In some cities care is taken to issue special invitations to prominent citizens when particularly important questions come before the governing body, in order that advice may be obtained from a wide

range of representative opinion. It is sensitive, responsible government. "Each officer becomes a shining mark for criticism. The ambition of every officer is to give good government, because that is the only way to keep in the good graces of the public."

But all this does not exhaust the story. The best result of all lies in the fact that this system of municipal government has given a great impetus to what in the United States is called municipal research. The New York Bureau of Municipal Research has done admirable work, and this work has been imitated successfully in other cities. Out of it has grown the wonderful Training School for Public Service. In England we have the nucleus of such schools, notably in the school connected with Liverpool University, which teaches scientific social work. Once we agree that municipal administration calls for some equipment other than a connexion with a political party, we shall soon find the universities coping with the need. Bureaux of Municipal Research will spring up in England, and we shall soon have to hand statistics and other data which will help in the good work of making municipal administration more efficient. It may be that our national instincts of government will not permit us to take the plunge quite so boldly as our American cousins have taken it ; but the fact remains that one of the sorest needs of the England of to-day is a deeper interest in municipal affairs, and a severance of those affairs from the party politics for which much can be said in their relation with matters of State. We need to know of those to whom we entrust the important matters of local management, not that they have this or that belief as regards questions of imperial moment, but that they are enlightened enthusiasts for economic and efficient government of our cities and towns. We are only at the beginning of municipal efficiency. There is yet much to be accomplished, both in respect of research and of the application of research. But it is very doubtful if this can be done the while we employ busy politicians who can only give a small portion of their time, no matter how well-meaning they may be, to the affairs of the municipality. Sooner or later we shall be compelled to provide a class of professional municipal administrators. We can safeguard the public rights in some such way as they have done in the American cities, even if we do not

use precisely the same means ; for it may be questioned if the initiative, the referendum and the re-call are altogether suited to the English political temper, and these matters of temperament must be taken into account. At any rate the enormous economies which have resulted in the American cities from the change, and the more remarkable increase in the efficiency of municipal public services, are matters which call for unprejudiced examination. It may be that the English passion for and pride of her Parliamentary institutions need to be re-examined. Members of Parliament are paid, and it seems to be but a small step to provide that municipal affairs shall be in the hands of professional municipalists, whose services are of such a high value that they deserve high remuneration. Provided that these professional experts are kept closely under public criticism, so that in some way or another the control is finally in the hands of the people, we might perhaps reap enormous benefits from the adoption of the principle in England.

JOHN GARRETT LEIGH.

## THE AUSTRALASIAN PRECEDENT IN SOCIAL LEGISLATION : AN EXAMPLE OR A WARNING ?

WHATEVER our opinions upon the general question of State Socialism, we must all agree that in most times and in most places, where there has been a strong State, the individual has shown himself ready enough to take advantage of its benefits. What was exceptional, and requires explanation, is the individualist, *laissez-aller* régime, which prevailed for some fifty years in the England of the nineteenth century.

Be this as it may, Australasia was founded on very different models. We all know the familiar story, how New South Wales was started as a convict settlement, with the Governor as absolute dictator. When free settlers entered upon the land, they received from the State the use of convict labour. As transportation began to be discontinued, labour was got for the colony by means of free and assisted passages ; and it is obvious that the emigrant, who enters a country under the ægis of the State, will look to it for help in future contingencies. Again, the stars in their courses fought for State interference, because the caprices of the Australian climate compelled that the State should act as fairy godmother to the farmer in times of drought. When manufactures were developed, the same conception of the State encouraged protection. Is it, therefore, a matter for wonder that, when labour became strong and organized, it too should demand its place in the sunshine of State assistance ?

Moreover, another circumstance embittered the situation and strengthened Socialistic tendencies. We shall agree that the strongest bulwark of conservatism is the existence of a numerous body of freeholders on the land. This is the element that has retarded, in the United States and Canada, the growth of Socialism.

But, unhappily, the physical circumstances of Australia opposed the wide diffusion of this magic of property. In Australia, and to a less extent in New Zealand, Wool was King ; and the dominance of wool meant the dominance of a social system, to do justice to which, from the point of view of society at large, would require the voice of Mr. Lloyd George in his most inspired Limehouse mood !

Such, then, was the genesis of the ideals of Australasian labour.

There is another aspect of the case which must be noted, though its importance should not be exaggerated. Considering the past history, it was natural, if not inevitable, that, when railways were introduced into Australia, they should be built and run by the State. New Zealand has gone further than any other country in public competition with private enterprise. But even in New Zealand every such interference has been due to special circumstances ; and if the State busies itself with life insurance, loans for workers, State coal mines, etc., it is not with the intention of killing private enterprise, but because a special mischief required abatement. We must always remember that, however advanced these Australasian communities appear, they still belong to the same illogical, not too clear-headed, Anglo-Saxon race we know at home ; and that a brilliant Frenchman, like M. Siegfried, can still poke fun at their snobbishness and quote with approval the familiar saying about " Socialism without doctrines."

But if this is so, where, then, are we to look for the guiding torch or danger signal (regard it how you will !) which the Australasian democracy is holding out to the people of Europe and America ? I confess that I find it in the theory and the working of the State-regulated wage.

We all know that, with the failure of the great Maritime Strike of 1890, organized labour came to recognize that its future must largely lie in its work in the political arena. From that time, the political history of Australasia has mainly been the gradual, steady advance in the accomplishment of the programme of the labour party. That party has, it must be admitted, generally shown extraordinary tact and moderation. Side by side with a statement of ulterior objects, there is put forth a Fighting



Platform, to every item of which every candidate must religiously subscribe. Take the Platform of 1908. It consisted of nine planks:

1. A white Australia.
2. The new Protection.
3. The nationalization of monopolies.
4. A graduated tax on unimproved land values.
5. A citizen defence force.
6. A Commonwealth Bank.
7. Restriction on public borrowing.
8. The amendment of the Navigation Laws.
9. The amendment of the Industrial Conciliation Act.

Now, some of these planks have been already made good. There is a Commonwealth Bank. There is a system of military and naval defence, which is the wonder of less patriotic communities. There is a Land Tax which falls very heavily on the big landowners. Other items of the programme require for their accomplishment an amendment of the federal constitution. Thus, very reasonably from their point of view, the labour party said that they were not opposed to protection, but that the employer must share with his men the benefits of such protection, by giving them a "fair and reasonable" wage. The Excise Agricultural Machinery Act imposed duties which were remitted in the case of firms fulfilling these conditions. The Federal High Court, however, held that, in so legislating, the Commonwealth Parliament was poaching upon the preserves of the States. Accordingly, unless and until it receives the blessing of a popular referendum, the "new Protection" must remain a pious aspiration. The same truth holds good with regard to the nationalization of monopolies and the amendment of the Industrial Conciliation Act.

Before dealing with this last subject, a word may be said as to the general aims of Australasian labour. The end, as I understand it, is to secure a proper system of distribution, in the confident belief that production can look after itself. Mr. Pember Reeves, a very able economist as well as the politician and minister who was responsible for the great body of New Zealand labour legislation, has emphatically said that, if the population of New Zealand can only be raised from one to two millions by stereotyping the evils of the competitive systems of Europe and the

United States, he, for one, would prefer that that population shall remain stationary. Admirable sentiments! But in these circumstances is it not a little rash for the Commonwealth and New Zealand to be incurring the obligations of great Powers? Moreover, is it quite certain that a community can stand still? If there is not progress, will not there be retrogression? Mr. Scholefield, a very clever, level-headed, New Zealand journalist, has written an admirable book, *New Zealand in Evolution*, which went forth with a blessing and an introduction from Mr. Pember Reeves. In this he plainly intimates that New Zealand, in the early eighties of the nineteenth century, seemed to be heading to material and economic disaster, and that it was only the discovery that meat could be brought frozen to Europe which saved the situation. Man, it is true, does not live by bread alone; but, though he has the tongue of men and of angels, and has no bread, his tongue will soon cease to be of much use to himself or other people.

Be all this as it may, I now come to close quarters with what appears the main pivot of the Australasian labour position. By accepting Compulsory Arbitration and by leaving to the Courts the regulation of wages, the Australasian community seems to be substituting a system of status for one of contract, with possible results which they themselves, as yet, fail to apprehend. On this subject, I may call in aid the opinion of a competent economist, Mr. Victor Clark, who was sent out by the United States government to study the economic conditions of Australia.

“The Arbitration Court,” he writes, “has become an agent for regulating industry. Its action has been mandatory rather than conciliatory, not because the judge desired to assume that attitude, but because his duties and responsibilities forced it upon him. The workers regard the Court as a instrument for social betterment, and as a substitute for strikes. But the economic and social improvement of workers can only be realized by changing existing social conditions. . . . The demand for changes in trade customs is supported by a homogeneous class with identical interests. The demand is more insistent, constant and aggressive than any demand for modification of the common law. So the Court has become an agency for industrial reform. . . . The final effect of this new institution upon private law and theories of government is not considered, because the popular

attitude towards this legislation is opportune and practical; but the Labour Party which is the most active supporter of industrial arbitration fancies that it is a step towards State Socialism. . . . The essential fact is that the present condition is unstable, the workers are still confident that State regulation does help them and will continue to do so. Therefore the limited experience of compulsory arbitration up to the present suggest the possibility of a further development towards State Socialism.”<sup>1</sup>

To illustrate the working of the system, I am citing some extracts from decisions of Judge Higgins, in the cases which have come before him as judge of the Industrial Conciliation Court. These very interesting and suggestive decisions are not easily accessible, and, therefore, my reference to these may be an excuse for my own, not too original, lucubrations.

The Harvester's case (*Ex parte H. V. McKay*, Commonwealth Arbitration Reports, II., p. 1), although decided under the Excise Tariff Act of 1906, gives the leading definition of a living wage.

In his decision the judge said :—

“ One finds that the Legislation has not indicated what is meant by ‘ fair and reasonable,’ what is the model or criterion by which fairness and reasonableness are to be determined. It is to be regretted that the Legislature has not given a definition of the words. It is the function of the Legislature, not of the Judiciary, to deal with social and economic problems; it is for the Judiciary to apply, and, when necessary, interpret the enactments of the Legislature. But here this whole controversial problem, with its grave social and economic bearings, has been committed to a judge, who is not, at least directly, responsible, and who ought not to be responsible to public opinion. Even if the delegation of duties should be successful in this case, it by no means follows that it will be so hereafter. I do not protest against the difficulty of the problem, but against the confusion of functions and against the failure to define, the shunting of legislative responsibility. It would be almost as reasonable to tell a Court to do what is ‘ right ’ with regard to real estate, and yet lay down no laws or principles for its guidance. In the course of the long discussion of this case, I have been convinced that the President of this Court is put in a false position. The strength of the Judiciary in the public confidence is largely owing to the fact that the judge has not to devise great principles of action as between great classes, or to lay down what is

<sup>1</sup> Mr. Clark's book, *The Labour Movement in Australasia*, was issued in 1906.

fair and reasonable between contending interests in the community ; but has to carry out mandates of the Legislature evolved out of the conflict of public opinion after debate in Parliament. I venture to think that it will not be found wise to bring the judicial department within the range of political fire. . . . The provision for 'fair and reasonable' remuneration is obviously designed for the benefit of the employees in the industry ; and it must be meant to secure to them something which they cannot get by the ordinary system of individual bargaining with employers. . . . The standard of 'fair and reasonable' must therefore be something else, and I cannot think of any other standard appropriate than the normal needs of an average employee, regarded as a human being in a civilised community. If, instead of individual bargaining, one can conceive of a collective agreement—an agreement between all the employers in a given trade on the one side, and all the employees on the other—it seems to me that the framers of the agreement would have to take as the first and dominant factor the cost of living as a civilised being. If A lets B have the use of his horses on the terms that he gives them fair and reasonable treatment, I have no doubt that it is B's duty to give them proper food and water, and such shelter and rest as they need ; and, as wages are the means of obtaining commodities, surely the State in stipulating for fair and reasonable remuneration for the employees means that the wages shall be sufficient to provide these things, and clothing and a condition of frugal comfort estimated by current human standards."

In *The Marine Cooks', Bakers' and Butchers' Association v. The Commonwealth Steamship Owners' Association* (C. A. R. II. p. 55), Judge Higgins said :—

" This case, with its very interesting glimpses into life ' below stairs,' has taken a longer time than the matter distinctly at stake seem to warrant ; but I cannot fail to see that the principles on which the decision is based may have an ulterior application on the relations of employers and employees. . . . The main features of my award are that I treat the payment of something like a living wage as the first essential to the settlement of the dispute, and that, as far as possible, I appraise the different degrees of skill according to the same scale as is at present used and accepted by the employers and the employed."

In *The Federated Marine Stewards and Pantrymen Association v. The Commonwealth Steamships Association* (C. A. R. IV. p. 64) it was held that tips should be taken into account in estimating a living wage.

“The function of the Court, as I understand it, is to promote industrial peace in the interests of the public; but the Court would tend to excite discontent rather than to allay it, if it were to take inconsistent lines in its different awards, if it were to depart without very strong reasons from fixed principles of action . . . if it were to award unequally as to workers in similar or analogous conditions.”

In *The Broken Hill Proprietary Co., Ltd.* case (C. A. R. III.), the Judge had already said :—

“The remuneration of the employee cannot be allowed to depend upon the profits actually made by his individual employer. This proposition does not mean that the possible profits or returns of an industry, as a whole, are never to be taken into account in settling the wages. *E.g.* the fact that the industry is novel, and that those who undertake it have at first to move very warily and economically might be favourably considered. So long as every workman is getting a living wage, I can well understand that workmen might consent to work in such a case for less than their proper wages, not only to get present employment, but in order to assist an enterprise which will afford them and their comrades more opportunities for employment hereafter. For this purpose it is advisable to make the demarcation as clear and definite as possible between that part of wages which is for mere living, and that part of wages which is due to skill, or to monopoly, or other considerations. Unless great multitudes of people are to be irretrievably injured in themselves and in their families, unless society is to be perpetually in industrial unrest, it is necessary to keep this living wage as a thing sacrosanct, beyond the reach of bargaining. But when the skilled worker has thus once secured a living wage, he has attained nearly to a fair contractual level with his employer, and, with caution, bargaining may be allowed to operate. . . . I cannot conceive of any such industrial dispute being settled effectively which fails to secure to the labourer enough wherewith to renew his strength and to maintain his home from day to day. He will dispute, he must dispute till he gets this minimum, even as a man immersed can never rest till he gets his head above the water.”

According to the head notes of this case, the order of inquiry should be :

- (1) What is the wage to be paid to the unskilled labourer ?
- (2) What are the wages to be paid to those of extra skill ? (on the assumption that the employers can pay whatever wages are proper).

(3) Are there any sufficient grounds why the employer should not be asked to pay such wages?

But, if the Courts are thus to become benevolent deities doling out distributive justice to the different classes of the community, there is one condition alone upon which the private employer will care to continue to play the game. What that condition is has been admirably stated by Mr. Scholefield.

“The employers soon discovered that in the temper of the day they had simply to pass the increased cost of production on to the consumer. Of course it appeared again with the accuracy of a well-thrown boomerang in the increased cost of commodities, the higher rents, upon which a further increase would presently be demanded. This could not continue for any length of time with unprotected industries—and, incidentally, the unprotected industries, most of which are primary, were left outside the operation of the Act for a very long time. But it did happen over and over again in protected industries, the cost rising steadily until it reached the margin of danger in competition when the tariff was invoked to make the wall higher and make the *enclave* secure again for local manufactures.”

This, then, brings me to my final conclusion—that the Australasian system can only be worked with success, where there is no export trade of manufactures in keen competition with the foreign manufacturer, and where heavy protective duties effectively secure the command of the home market.

But, it may be said, all this is on a false scent, because the British workman sets his face steadily against compulsory arbitration. Yes, for the present he does; and why? because he recognizes, and rightly recognizes, in the Courts, as at present constituted, an alien and probably hostile atmosphere. But, surely, it is significant that already the demand is being made that, in cases affecting labour, the Court shall be constituted of men of practical knowledge. In these days, things move very quickly; and, in spite of present indications, the time may be at hand when the labour organizations will advocate the enforcement of just wages by legal action. In which case, though I am not an economist or the son of an economist, it does seem to me that there may be breakers ahead.

H. E. EGERTON.

## PROFESSOR SMITH AND DR. MARSHALL.

PROFESSOR J. A. SMITH'S criticism of Dr. Marshall's "Fundamental Notions," and his proposed amendments, contained in an article to the last October number of the *Economic Review*, may be considered in three sections: the definition of wealth; the definition of consumption and production; and the scope of economics. These sections of Professor Smith's article occupy pp. 366-373, pp. 373-378, and pp. 378-380 of the text, and paragraphs III., IV., V., and VI., VII., VIII., and I., II., IX., X. of the Summary, respectively. I shall deal with each section in turn. The edition referred to in my citations from Marshall is the fourth (1898) which, on the questions discussed, differs in no respect from the third edition used by Professor Smith.

### I.

Professor Smith's discussion of Marshall's definition of wealth consists of the twofold criticism that the definition is not in proper logical form and that it is not in harmony with popular usage; and of an amended definition, which he holds to be more in harmony with popular usage and also "most convenient for economic science" (p. 372). In the following section I shall consider together the criticism and the amendment at each of the three points that Professor Smith has indicated: the logical form, the "popularity" of the content, and the convenience, respectively, of Marshall's definition of wealth.

(1) The criticism of the logical form of Marshall's definition is to the effect that it leads one "by the nose in a circle" (p. 368). To quote Professor Smith in full:—

"In [Marshall] Edition 3, we are told that [a person's wealth] consists of two classes of goods, which together constitute 'economic goods.'

If we ask what 'economic goods' are, we are informed that economic goods include 'those goods, and only those, which come clearly within the scope of economic science, as defined in Book I.' But as 'economic science' is there defined as 'the study of Wealth,' we are clearly being led by the nose in a circle."

Now "the study of wealth," if it is to be considered a definition and not just a statement, is not the only definition that Book I. gives of Economic Science. In Book I., Chap. V., paragraph 3, we find—

"economics . . . concerns itself chiefly with those desires, aspirations and other affections of human nature, the outward manifestations of which appear as incentives to action in a form which is easily measurable, and which, therefore, are specially amenable to treatment by scientific machinery."

From the passages quoted by Professor Smith and myself, it may be gathered that Marshall had in mind two kinds of definition of economic science: one according to the subject matter of the science—*i.e.* wealth; the other according to the methods of the science—*i.e.* the measuring of things by their money value. Now, in the passage to which Professor Smith particularly objects, Marshall is showing how these two kinds of definition harmonize. Instead of quoting merely one co-ordinate clause in the paragraph, as Professor Smith does, I will quote the whole:—

"This use of the term 'Wealth' is in harmony with the usage of ordinary life, and, at the same time, it includes those goods and only those which come clearly within the scope of economic science, as defined in Book I., and which may therefore be called economic goods; for it includes all those things external to a man which (i.) belong to him and do not belong equally to his neighbours, and therefore are distinctly his; and which (ii.) are directly capable of a money measure—a measure that represents on the one side the efforts and sacrifices by which they have been called into existence, and, on the other, the wants which they satisfy." (Book II., Chap. II., § 2.)

It is clear, when Marshall's passages are not forcibly uprooted from the neighbouring passages which modify and explain them, that by the phrase "those goods and only those which come clearly within the scope of economic science, as defined in Book I.," is meant those goods "which are directly capable of a money



measure," each being the second co-ordinate clause—the one of the statement, the other of the explanation. And it is now also clear that what Professor Smith has done is this : Marshall having shown him how his divergent definitions of wealth converge, Professor Smith deliberately walks in a circle by arriving at the point of convergence along one definition, and then trying to proceed on his way by walking back to the starting-point along the alternative definition. It is Professor Smith who is leading himself "by the nose in a circle."

(2) Professor Smith's criticism of the content of Marshall's definition of wealth is to the effect that it is unusual and not in harmony with popular usage. But, to begin with, Professor Smith has not rightly understood the definition to which he objects. He sums up on p. 370 Marshall's notion of the term "Wealth" simply (*i.e.* without qualifying adjectives, as in the phrase "A's wealth") as "external wealth only, or rather external <sup>1</sup> goods only—viz. everything that the outer world offers for the satisfaction of his wants."

If this were really Marshall's own definition, we might agree with Professor Smith that his is "a view that could be held by no sane man." But it is not Marshall's definition. Marshall does not consider wealth to include all external goods.

"When a man's wealth is spoken of, simply and without any interpretation clause in the context, it is taken to be his stock of two classes of goods—the external goods that are material and transferable, and all those personal (non-material) that are used to obtain material goods." (Bk. II., Chap. II., § 2.)

Those external goods are excluded, therefore, that are material and non-transferable, and also those that are personal (non-material) and are not used to obtain material goods.

But even when Marshall's definition is thus correctly stated, Professor Smith would not, I think, agree with him that "it is in harmony with the usage of ordinary life" (Book II., Chap. II., § 2), for the reason that each has a different usage in mind. While Professor Smith is thinking particularly of wealth in the phrase a "person's wealth" or "my wealth," Marshall is trying to find

<sup>1</sup> I presume "*internal*" to be a misprint.

a definition that will convey its meaning as used in all the three phrases, "person's wealth," "national wealth," and "cosmopolitan wealth." Professor Smith says that "if national wealth means the wealth of the nation, it cannot include, but excludes, 'the individual property of its members' and cosmopolitan wealth means nothing at all" (p. 373). This is quite true if we adopt a definition of wealth like Professor Smith's, which is applicable only to an individual's wealth; but it is untrue by hypothesis, if the definition of wealth is to be the "highest common factor" of individual, national, and cosmopolitan wealth.

The definition that Professor Smith would substitute for Marshall's is "exchangeable rights," which he considers to be "more in harmony than Marshall's with the usage of the ordinary economic or business man" (p. 372), and, as I have admitted above, this is no doubt true when the business man is talking simply of a private individual's wealth. But Principal Hadley, who agrees with Professor Smith that "wealth, in its private sense, consists of rights" (*Economics*, Chap. I.) thinks this private wealth "better designated as property"; and if Professor Smith would use "property" instead of "wealth" to represent his concept, terms would not be duplicated, etymology would be better satisfied, and the term "wealth" might be used for notions more consistent with all the various usages of the man in the street.

(3) Lastly, Professor Smith regards his definition of wealth as "exchangeable rights" to be "most convenient for economic science" (p. 372). This I must emphatically deny. Both the term "exchangeable" and the term "rights" are, in fact, most inconvenient.

(i.) To use the term "Rights" in explaining wealth makes economics dependent on jurisprudence. To a good many social philosophers this would seem perverse; they would argue that jurisprudence is a study of law and that a law is but the crystallization due to the workings of economic forces.<sup>1</sup> Quite apart from this social philosophy, however, the adoption of Professor Smith's definition of wealth would lead the science of economics straight to the grave. Professor Smith is indeed logical enough to dig this "convenience" in person. "In a vacuum of laws,

<sup>1</sup> Cp. Bosanquet, "Philosophical Theory of the State," Chapter II.

no one has any wealth, and under each different system of laws 'a person's wealth' consists of different elements or 'economic goods.' The question "Of what does my wealth consist?" is never a philosophical or scientific question but an "historical one" (p. 371). But working economists had hoped that their studies would live to form part of a "science" in the sense of being limited neither in place nor time.

Their hopes were based on a belief in the existence of a more "fundamental substance of economic organization which depends mainly on such wants and activities, such preferences and aversions, as are found in man everywhere" (Marshall, Book I., Chap. VI., § 4). They were encouraged in this hope by the fact that the two laws on which the chief deductive reasonings of their science were built—one characterizing Demand, the other Supply—were laws that most men admitted to be unlimited by place or time. The first of these basic laws is known as the law of diminishing utility, is the result of psychological observation, and, to quote Mr. Flux's rendering, runs as follows: "The more we have of any particular commodity, the less we desire to have more of that commodity" (see also Marshall, Book III., Chap. III., § 1). The second of the basic laws relates to the cost of supply, and may be stated singly and entirely in the following words of Marshall (Book IV., Chap. XIII., § 2): "While the part which nature plays in production shows a tendency to diminishing return, the part which man plays shows a tendency to increasing return." Generally, however, the law of supply is formulated in two differing laws. The first is that of "Diminishing Return," which, as Marshall points out in a note to Book I., Chap. VI., § 6, is "properly a statement of physical facts and belongs to agricultural science," and runs to the effect that "an increase in the capital and labour applied in the cultivation of land causes in general a less than proportionate increase in the amount of produce raised, unless it happens to coincide with an improvement in the arts of agriculture" (Marshall, Book IV., Chap. III., § 1). The second law of supply is that of "Increasing Return," which is the result of experience in engineering and business management, and runs to the effect that "an increase of capital and labour leads generally to an improved organization: and therefore in those industries which

are not engaged in raising raw produce it generally gives a return increased more than in proportion" (Marshall, Book IV., Chap. XIII., § 2).

These laws of Demand and Supply specify no conditions of time and place, they certainly allude to no juristic laws; so economists may well ask why their science, so far as it is deduced from these laws, should not also be independent of the different juristic systems in vogue? Far from finding Professor Smith's definition convenient, economic science will find that this definition completely prohibits to her laws the attainment of that degree of generality, let alone universality, which is warranted both by their subject matter and the physical and psychological observations on which they are mainly based.

(ii.) The term "exchangeable" is also most inconvenient. Professor Smith writes (p. 371)—

"Not all rights are 'economic goods,' but only such as are (a) of the nature of private property; (b) alienable; (c) coveted by others than their owners sufficiently to make those who covet them willing to part with similar rights of their own in exchange for them."

The exchangeability of a legal right is conditioned, then, by these three qualities, *a*, *b*, and *c*. But conditions *a* and *b* Marshall admits, for alienability is merely a legal paraphrase for Marshall's "transferability," and when Marshall is referring to an *individual's* wealth in the sense used by Professor Smith, he says (Book II., Chap. II., § 2), "when a man's wealth is spoken of . . . it is to be taken to be . . . those material goods to which he has—by law and custom—private rights of property . . . and those immaterial goods which belong to him. . . ."

It is only when it comes to condition *c*, of exchangeability that Marshall does not anticipate Professor Smith. The reason is not, as Professor Smith would seem to suggest, that Marshall is oblivious of the fact that "exchangeability or inter-exchangeability" is the "determining characteristic of economic goods" (p. 372), but that Marshall's allusion to that fact is to be found, not in his preliminary definition but running through his whole work. Professor Smith complains (p. 372) that "to judge from the index to the volume the fundamental notion of exchangeability is never

afterwards alluded to." But it is distinctly a pity that Professor Smith should have confined his reading to the index, otherwise he might have noticed that the final book (Book VI.) in the volume, consisting of 217 pages, is entitled "Value, or Distribution and Exchange"; and that, in fact, the whole volume is gradually working up to the climax of Economics—Exchange.

A scientist, before engaging on his work, must, presumably, decide definitely what he is going to assume and what he is going to prove. The assumptions will then constitute his preliminary definition, the proofs will fill the body of his work. Certain considerations, however, must influence his choice of assumptions. To quote Marshall himself (Book II., Chap. I., § 1), "We shall not want to assume anything that is not obvious and a matter of common knowledge."

It is Marshall also who has suggested (Book I., Chap. VI., § 3, note), "that the science of the tides presents many close analogies to economics," and notably that between "the attraction of the moon and sun," and the "desire to obtain comfort at the least cost."

Now, if Professor Smith were asked to give the preliminary assumptions of that science, how would he define "tides"? Would he refer to the well-known and obvious phenomena of our sea coasts, or would he begin by mentioning the "counteracting terrestrial and solar and lunar gravitational attractions"? Economists in their science, at any rate, prefer to make the preliminary definition rest on obvious physical qualities, such as "externality," "materiality," and "transferability," postponing the consideration of the undoubtedly more important "exchangeability" till they have discovered more about the conditions of exchange.

## II.

In discussing the definition of Production and Consumption, Professor J. A. Smith does not make his criticism in detail: "I have developed these views without much reference to Marshall" (p. 378). Marshall's views and Professor Smith's views must therefore be compared and judged as a whole, and I shall devote myself to a general criticism of Professor Smith's views, on the

score that they add to the difficulties natural to the subject, and that when these difficulties are resolved, Professor Smith has really not made any advance on the conclusions of Marshall.

To the difficulties of definition due to the complexity of all economic notions, Professor Smith has added yet two more difficulties—that of legal conceptions and that of terms new to the science and inadequate for its purposes.

The fondness for legal aspects that marked Professor Smith's definition of wealth leads him to emphasize somewhat unduly certain legal conceptions of the terms "producer" and "consumer." "The term 'producer,'" he says, frequently "means the person who has—by law or custom—the original or first right to [an] increase [of value], who is the owner of it and can dispose of and alienate it" (p. 375). Similarly, the consumer is the person "who has, so to speak, the last right to that increase and can legally prevent its alienation from him" (p. 375). To say, as Professor Smith does, that this sense of the term "producer" is frequent in economics, is hardly correct. I have never read of a mere investor in a factory classed as a "producer," and it is rather doubtful whether "consumer" is used in this sense even in business, let alone economics. If these legal senses are not present to the mind of readers of economic works, it is hardly worth while for Professor Smith to point them out, and so make it necessary for him to distinguish the "author" and "producer" of a product (p. 376), to speak of "actual" production, and, finally, to show that if the terms are used in the different senses he has noted, some producers do not produce and some consumers do not consume (p. 377).

To prevent misunderstanding, it is certainly all important for the scientist who must use popular terms, to distinguish and point out all the different uses of those terms that might lead to confusion; and Professor Smith is right in showing that the term "producer" covers also the man who commands production; but in pointing out uses that do not exist, or that the reader would easily distinguish for himself, Professor Smith seems to me only to be concocting a case for the adoption of the legal definitions that he so peculiarly favours.

The second element in the additional confusion caused by

Professor Smith is the introduction of new terms, popular enough, but vague, when economists have invented terms to convey the same notion exactly. It is a pity, for instance, that Professor Smith uses the term "worth" which overrides the careful distinction economists have drawn between "utility" and "exchange value," and might mean either. However, it is not merely that we are often left in the dark as to Professor Smith's exact meaning; but by using inadequate popular terms, Professor Smith may make false statements. Thus, when Professor Smith says that "this increase [of the demand for some part or parts of my wealth] is due either (a) to changes of taste in others, (b) to the operation of natural forces, or (c) to the productive labour of some man or men" (p. 375; see also Summary VI.), he omits one other cause at least, owing to his use of "taste of others" in preference to "demand of others." Demand in the traditional sense of economics includes (a) tastes or desires, and (b) the power to purchase the desire or satisfy the taste; and in his enumeration of causes Professor Smith omits consideration of the fact that an increase of demand for my wealth may be caused, not merely by changes in the tastes of others, but by changes in their purchasing power, or, as the Germans have it, in their "Kaufkraft."

Finally, now that Marshall's context has been taken into account and the confusion added by Professor Smith has been resolved, it will be found that Professor Smith merely reasserts what Marshall asserted twenty years ago. Professor Smith concludes (p. 377) that "Economic Production may be defined as the voluntary increase by labour of the worth of a commodity and Economic Consumption as the voluntary decrease or destruction of that worth." In this definition, the most important word is "worth," or utility, which was a point particularly emphasized by Marshall. In Book II., Chap. III., § 1, we read: "Just as man can produce only utilities, so he can consume nothing more." And as regards less important terms in the above definition, Professor Smith is particularly anxious to include under "Labour" (a) "What ought to be called Bodily Labour," (b) "Labour of Management or Superintendence or Organization" (p. 376), and he emphasizes the term "voluntary." In Book II., Chap. III., § 2, Marshall includes in one definition exactly the same two

points : “ We may define labour as any exertion of mind or body, undergone partly or wholly with a view to some good other than the pleasure derived directly from the work.”

This whole discussion of a definition of Producer and Consumer brings out clearly the need that Marshall saw so well of adhering, not merely to popular uses of words, but to uses traditional in the science of economics. In Book II., Chap. I., § 2, he writes :—

“ We must keep constantly in mind the history of the terms we use . . . we should be bound to keep our use of terms as much as possible in harmony with the traditions of the past, in order that we might be quick to perceive the indirect hints and the subtle and subdued warnings which the experiences of our ancestors offer for our instruction ”—

warnings that Professor Smith might well have found useful.

This attempt at “ harmony with the traditions of the past,” no less than with popular usage, may of course be carried too far. The definiteness of terms must be balanced against their conventionality, and Professor Smith may possibly be right when he complains that Marshall “ fails to find a clear line between productive and unproductive labour ” (p. 378) ; and when he objects to the inclusion of the “ labour expended in producing ephemeral luxuries under the title ‘ unproductive ’ ” (p. 378). But Professor Smith might be considered a better advocate of Definiteness against Conventionality if he had not failed to understand the case where the need for terminological conventionality is strongest ; for it is mainly in deference to the traditions of his science that Marshall gives up definiteness. Thus, in Book II., Chap. III., § 2, he admits that—

“ if we had to make a fresh start it would be best to regard all labour as productive, except that which failed to promote the aim towards which it was directed, and so produced no utility. But an almost unbroken tradition compels us to regard the central notion of the word as relating to the provision for the wants of the future rather than those of the present.”

It is not that Marshall “ fails to find a clear line,” but that the traditional use of terms forces him to give up the clear line he has found. Again, Marshall’s inclusion of the “ labour expended in producing ephemeral luxuries ” under the title “ unproductive,” to which Professor Smith objects (p. 378), is due to Marshall’s



attempt to connote definitely the traditional term "productive" as "productive of the means of production and of durable sources of enjoyment," which Marshall himself recognizes as "a slippery term which should not be used where precision is needed."

In fine, Professor Smith's own unnecessary distinctions and incomplete analyses that mar otherwise conventional definitions, no less than his demand for distinct and complete connotations of terms that have been in use since Adam Smith, may be largely attributed to his insensibility to the continuousness and harmony that is necessary within every branch of science, and the absence of which is deplored in every introduction to philosophy.

### III.

The scope of economics Professor Smith wishes to be more rigidly delimited; but to state Professor Smith's views any more specifically I find quite impossible. It is not merely that notions such as "ethical goodness," implying a non-ethical goodness, and an "economic altruistic but non-moral motive" (p. 379), puzzle my imagination, but that I am unable to gather whether Professor Smith wishes "all regard to ethical considerations or motives" to be excluded from the subject matter of economics, or from the economist's mind and attitude.

Passages such as—

"Judgments concerning the economic goodness or badness of certain forms of human conduct are a legitimate, and indeed essential, part of economics, while judgments concerning the ethical goodness or badness of any are wholly irrelevant to it" (p. 381); or, again, "How often the would-be student or exponent of economic science shirks the steep and stony road of understanding and follows the primrose path of exhortation and edification!" (p. 379).

would seem to show Professor Smith an advocate of a non-ethical attitude on the part of the economist. In this contention, I should quite agree with him, and Marshall would be found among us, too.

"Of course the economist retains the liberty, common to all the world, of expressing his opinion that a certain course of action is the right one under given circumstances; and, if the difficulties of the problem are chiefly economic, he may speak with a certain authority. But,

on the whole, though the matter is one on which opinions differ, it seems best that he should do so rather in his private capacity than as claiming to speak with the authority of economic science." (Book I., Chap. VI., § 7.)

On the other hand, some passages in Professor Smith's article would seem to indicate that regard to ethical considerations is to be excluded not so much from the economist's attitude, as from the subject matter of his study. One of the "chief sources of confusion in treatises on Economic Science" is considered to be the "failure to eliminate from its subject matter all reference to moral motives" (p. 381); and, again, "Economic Science is the study of operations and effects of human wills so far as they are not actuated by ethical motives" (p. 380). Since I am not clear whether this uncertainty of meaning is due to Professor Smith's philosophy or merely to its expression, I shall consider briefly both possibilities.

My uncertainty as to Professor Smith's meaning may be due simply to the fact that Professor Smith considers the attitude of the student and his subject matter to be one and the same thing, and that if the student is to adopt a non-ethical attitude his subject matter must also be non-ethical. If this is really Professor Smith's view, I can only submit that it seems to my mind no impossible feat to take up many different kinds of attitude to the same human operation: one may morally approve or condemn the operation, study it for its own sake, or even value it artistically, whatever the kind of operation may be. So that, when I express a wish for the economist merely to study, I am in no way restricting the human operations that he may study.

Professor Smith's expression may, however, have cloaked the fact that, while distinguishing subject matter from attitude, he desires, not one kind of restriction of scope, but two: restriction of subject matter as well as restriction of attitude. If this be the case, I beg to differ from him about restriction of subject matter as strongly as I have agreed with him about restriction of attitude.

"The facts which make up its [economic science's] subject matter," writes Professor Smith (p. 380), "can be arrived at by resolving human conduct as a whole into what is due to moral and what is due to non-moral motives, and discounting the former

moment." Now, the "discounting" would seem to me to be setting aside some methods in economics that have proved extremely fruitful, and, further, any resolution of human conduct appears to me most premature, considering the present state of the sciences of human conduct. Both these contentions will need explanation to the layman.

To explain adequately the situation in which the human or, at any rate, the social sciences find themselves to-day, we must imagine the scope of the whole science as an almost impassable territory through which explorers are trying to press their way. Forests and deserts forbid all but water carriage as a means of progression, and it is, in consequence, only the river valleys and the lake-sides that can be investigated. Similarly, in social science only one method of measurement has as yet been found possible—that of price. Consequently, all those motives that are easily measurable by price have been investigated, but, as yet, no others.

When Professor Smith comes along and says, "Do not investigate ethical motives," it is as though he said to the explorers, "Do not investigate such and such rivers—they are not your province." The explorers, and, with them, the economists, might well answer, "Let us investigate what our equipment specially enables us to investigate." Professor Smith would be right to map out the province of each subsidiary science, and so prevent overlapping, if there were any other social science worthy of the name. But just as in the new territory it is only the waterways that provide a means of approach, so, in social science, it is economics only that provides a means of forming exact laws. It is possible in both cases that the difficulty is only temporary; indeed, my own researches have led me to the belief that large social tendencies might be discovered by the science of "comparative politics" if it extended its scope and ordered its methods. But be that as it may, it is at the present moment childish to restrict the scope of economics. Since no other kind of social investigation seems able to make any headway, Economics must discover as much about society as its power of measuring human motive by money permits; and, for the rest, to quote Marshall, "The less we trouble ourselves with scholastic inquiries as to whether

a certain consideration comes within the scope of economics, the better " (Book I., Chap. V., § 9).

The value of the scientific methods that Professor Smith would set aside is best explained by the history of Economics. Since the rise of the German historical school, economists have <sup>1</sup> admitted the need of co-operation between inductive reasoning and the deductive reasoning almost solely employed by the English classical school. To quote Marshall (Book I., Chap. VI., § 2) :—

" Long chains of deductive reasoning are directly applicable only to the occurrences of the laboratory. By themselves they are seldom a sufficient guide for dealing with the heterogeneous materials and the complex and uncertain combination of the forces of the real world. For that purpose they need to be supplemented by specific experience and applied in harmony with, and often in subordination to, a ceaseless study of new facts, a ceaseless search for new inductions."

Were the economist to act on Professor Smith's suggestion, his work would be just such a long chain of deductive reasoning from certain economic motives as was planned by John Stuart Mill. In 1830, Mill wrote an essay in which he half promised a treatise which should be deliberately and openly based on Ricardo's tacit assumption that no motive of action except the desire for wealth need be much considered by the economist.<sup>2</sup> But to carry out a treatise on these lines that should even remotely describe the truth, Mill found impossible; and, to quote Marshall, " he made no attempt (in his great economic work) to mark off by a rigid line those reasonings which assume that man's sole motive is the pursuit of wealth from those which do not." Moreover, Professor Smith cannot escape from the lessons of Mill and contemporary economists by supposing that these men studied only " the blind or thoughtless satisfaction of wants and achievement of desires " (p. 379). As a matter of history, the earlier economists attached such importance to " the thoughtful and prudent deeds of the unmoral but intelligent will " (p. 379) that Marshall is constrained almost to apologize: " It is not to be supposed that we assume every action to be deliberate and the outcome of calculation " (Book I., Chap. V., § 4).

<sup>1</sup> See Marshall, Book I., Chap. IV., § 8, Edition 4.

<sup>2</sup> Quoted from Marshall, Note to Book I., Chap. IV., § 7.

Professor Smith must bow to the experience of working economists that any isolation of certain human motives, such as the pursuit of wealth—whether wilful or not—results in delightfully simple and definite generalisations, but not necessarily in a truthful description of the facts of the economic world. But if Professor Smith cannot follow the history of economics, let him at any rate mark the opinion of Ruskin, uttered in 1862, when those economic methods were in full swing to which his advice would inevitably lead.

“I neither impugn nor doubt the conclusion of the science [Political Economy] if its terms are accepted. I am simply uninterested in them, as I should be in those of a science of gymnastics which assumed that men had no skeletons. It might be shown, on that supposition, that it would be advantageous to roll the students up into pellets, flatten them into cakes, or stretch them into cables; and that when these results were effected, the re-insertion of the skeleton would be attended with various inconveniences to their constitution. The reasoning might be admirable, the conclusions true, and the science deficient only in applicability. Modern political economy stands on a precisely similar basis. Assuming, not that the human being has no skeleton, but that it is all skeleton, it founds an ossifiant theory of progress on this negation of a soul; and having shown the utmost that may be made of bones and constructed a number of interesting geometrical figures with death’s-heads and humeri, successfully proves the inconvenience of the re-appearance of a soul among these corpuscular structures. I do not deny the truth of this theory, I simply deny its applicability to the present phase of the world.” (*Unto this Last*, Essay I., p. 3.)

P.S.—In the January number of the *Economic Review* Professor Smith has published some further criticisms of the fundamental notions of Economics, dealing there with “Capital.” Now in so far as this article purports to be a criticism of Dr. Marshall’s notions, its main object is to show that Capital and Income are *not* “correlative,” if that term be used in the sense that “whatever wealth is not Capital is Income, and whatever wealth is not Income is Capital.” But then Dr. Marshall does not use the term in the sense attributed to it by Professor Smith. When he says that Capital and Income are “correlative,” Dr. Marshall means that “each use of the term Capital has corresponded more or less closely to one of the uses of the term Income; . . . the

significations of the two terms have varied in breadth together" (Book II., Chap. IV., § 2). Professor Smith's main criticism would therefore appear irrelevant.

It is only fair to add, however, that Professor Smith's article is not confined to this refutation of his own misinterpretation. Much of it, indeed, such as the sub-division of Capital into "Land, Labour, and all that is neither Land nor Labour," would appear thoroughly orthodox, and much of it, especially the definition of Capital as "wealth in use," deserves separate consideration.

P. SARGANT-FLORENCE.

## NOTES AND MEMORANDA.

GERMAN LIGHT UPON ENGLISH INSTITUTIONS.—There is a familiar saying to the effect that “more people know Tom Fool than Tom Fool knows.” When Tom Fool is a trader in competition with other traders who know more about him and his ways than he knows about theirs, he is obviously placed at a disadvantage, and is not far from deserving the sobriquet which the proverb assigns to him. The Germans know a good deal about us—and turn it to account. They may know it in not quite the correct way ; for it is difficult to escape from one’s own accustomed atmosphere of thought when studying foreign facts, and most German writings about England show a lack of grasp of the principles underlying our institutions, even where very accurately recording methods. Such books, to be accepted without reservation as authorities, as those of Aschrott, Bärnreither, and Hasbach, are not too numerous. But, at any rate, information is perpetually and voluminously placed before German readers. There is extremely little of the same kind on our side. There is an occasional “taking” book written upon Germany and the Germans, or something of that sort, which is read, and intended to be read, for the sake of amusement, but which teaches nothing of practical value. We have some excellent consular reports—as, for instance, those model ones from Frankfort—which few people read. But nothing beyond. What wonder that very curious statements indeed are made among ourselves about Germany and the Germans ! The questions asked and the observations made a few years ago by our journalists—men supposed, according to the *Saturday Review* of years ago, to be endowed with “diffused omniscience”—on their jaunt through Germany truly astonished those who know that country. It is true, our writers would probably, at first, at any rate, find it even more difficult to escape from their own *ambient* while judging of German things. But, at any rate from their writings, we should probably glean something worth knowing of those who study us no less since they have taken to studying us as equals and competitors, than they did when they studied us as models.

The “Commercial High School” of Munich, which ranks as a full university, has just, at the students’ request, published an interesting

volume of lectures<sup>1</sup> read by some of its professors, as the first instalment of a regular course reviewing in succession the "economic institutions" of Germany's various competitors. This volume very well exemplifies what has just been said about German methods of diffusing information about ourselves. The next series is to deal with the United States. The present volume is not without its blemishes—little inaccuracies and incorrect conceptions. But it gives a very good, and generally accurate, survey of the institution described. It may safely be said that no such series of lectures, of equal value, would be likely to be produced at any of our universities about things German. Professor Bonn, the editor, himself deals with "The Organization of the British World Empire" and "Modern Imperialism." He does not appear quite to realize that those among us who advocate "Imperialism" have no idea of rehabilitating the proud Roman "tu regere imperio populos," but think simply of organizing our "World Empire" as a family of states, well knit together and acting in union, under a parent head, which, as the Hungarian Prime Minister, Count Tisza, remarked to me at the time, in a tone of admiration, is "a grand idea." Unfortunately, as we now find out, with Afrikaners trying to keep out our Indian fellow subjects, and Canadians closing the door against our good allies the Japanese, not quite as easy of execution as some people seemed to imagine ten years ago. Probably Lord Beaconsfield's scarcely judicious claim to "ascendancy" preferred in 1878, has something to do with this continental misreading of our intentions. It was, of course, in due course answered by the German Emperor's claim to "a *maassgebend* (decisive) say" in international affairs. On the other hand, the professor ought to know that Imperialism means more than the mere acquisition of territory, say of Tripoli by Italy, or Cuba and the Philippines by the United States. It seems difficult to make Germans understand our precise relations with our Colonies. In 1911, at Halle, I was good-humouredly jeered at by some professors of that University for our blindly "giving away" Canada to the United States, because public opinion approved of Canada's then proposed adoption of the Reciprocity Treaty.

It seems just as difficult to make Germans understand fully our principles of banking. Professor E. Jaffé contributes two lectures, severally upon our "Labour Question" and our "Provision for Credit." Admirable as these lectures are as specimens of composition, and generally correct in point of methods and historical progress, and most friendly to ourselves in tone, every now and then there peeps out a little misconception resulting from his measuring our institutions by

<sup>1</sup> *Grundfragen der Englischen Volkswirtschaft*, Herausgegeben von Prof. Dr. M. J. Bonn. [156 pp. 8vo. Duncker & Humblot. Leipzig, 1913.]



a German standard. We are perfectly satisfied with our English banking system, with its economy of specie and its avoidance of "financing" speculation. We consider it best suited to our own case, and hold the system of fluctuating discounts to be the most convenient means of regulating gold supply. Professor Jaffé remarks upon the absence among ourselves (in towns) of co-operative banks and of institutions to supply well regulated mortgage credit. As regards the first point, we have not the large amount of small trade and industry that there is in Germany; and until our private bankers came to be cleared out of the way by monster amalgamations, there was plenty of personal credit available, so that, in the same sense as applies in Germany, co-operative banks were then not really wanted. Now that practically all local banks have been swallowed up by large—a matter which both Professor Jaffé and Dr. Leonhard appear to overlook—we may expect to see co-operative banks springing up. "Mortgage banks" we have not got because the difficulty of "title"—which lawyers are too mindful of their own interests to care to help to simplify—stands forbiddingly in the way.

Dr. Vogelstein contributes a lecture on "English Industry," meaning manufactures; and Dr. Leonhard a very timely and generally accurate one on "English Agriculture," which one may hope will do something to correct false impressions widely prevalent abroad.

The authorities of the University of Munich were doubtless well advised in publishing these lectures. And if those lectures are read in this country one may hope that they will serve as an incentive to our "doing likewise." If Cicero's favourite motto of οὐδὲν γλυκύτερον ἢ πάντ' εἶδεναι is generally correct, the πάντ' εἶδεναι becomes doubly precious in matters of international commerce subject to competition. And on that ground we are sadly lacking in knowledge.

HENRY W. WOLFF.

**A TIMELY WARNING.**—The disastrous breakdown of a number of prominent co-operative banks (of the Haas Union), which at the present time is the talk of all Germany, ought not to be allowed to pass unheeded in our first stage of establishing co-operative credit. More particularly has it a warning voice for our well-meaning Government departments, alike in England and in Ireland, which appear bent upon promoting such credit in the same faulty way, for the apparent—but only apparent—relief of the intended beneficiaries, by means of Government patronage, to the weakening of the indispensable sense of responsibility and of self-help.

For it is just that easy-going indifference to safeguards and that same

disposition to "force" the movement by extraneous help, which have in the Grand Duchy of Hesse—the very centre of one great Agricultural Co-operative Union—brought about that crash, the serious dimensions of which have led to substantial State relief out of the taxpayer's pocket, as a supposed necessity. I had expected something of the sort ever since I visited banks of this type, that is, in 1895. Not that there are not excellent banks in the Union so affected. There distinctly are. But the very feature which has made the Union formed by the late Herr Haas so great a success—that is, the bringing together of so vast a number of societies and members—is bound to militate against unity of principle which makes for security. To bring in many, you cannot help putting up with lax principle. To give every local sub-union an entirely free hand, you must tolerate varieties of methods and weakening of control. In respect of common purchase and common sale this does not much matter. And in those branches of business the Haas Union has scored largely. However credit is an extremely delicate plant, which will not stand such happy-go-lucky treatment. The late Herr Haas himself appeared to be aware of the weak point in his armour. For when, in 1898, at his Union's Annual Congress, at Carlsruhe, I had suggested an amalgamation with the numerically weaker but essentially uniform and strictly governed Raiffeisen Union, he intimated to me privately that in proposing to carry out that suggestion he was thinking of making the Raiffeisen Central Bank the centre of the common credit movement, while himself retaining the lead in all other business.

The main facts leading up to the tragedy are set forth, not quite fully, and naturally under an *ex parte* aspect, yet with general correctness, by Herr Grabein, general secretary of the Union concerned, in an article appearing in the December number of the *Bulletin of the International Agricultural Institute*. That is, in the main, the same statement that the new director of the Union, Herr Gennes, laid before the annual congress of the Union, at Wiesbaden, in which he frankly admitted that this colossal collapse had considerably shaken public confidence in the Union. There had been reckless bestowal of credit, coupled with most imprudent locking up of capital and speculative investment. The practice of inflating co-operative credit by extraneous help is apt to lead to such abuses. There had also been excessive trust in great names, such as we have to be on our guard against in England. Herr Haas himself stood, ostensibly at any rate, at the head of all these collapsing concerns. And who would not trust institutions presided over by a distinguished deputy and State official, formerly Speaker of the Second Chamber? People deposited money foolishly. But the main point was that there was insufficient inspection and control, and that no effect was given to such monitions as were pronounced

after the discovery of abuses. The car was kept rolling along as if still heavily laden, although it had lost all its cargo on the road. The Central Institutions affected are now found to have been insolvent years before. I could no more than hint at this when giving evidence before the Departmental Committee at Dublin in June, 1912, when these now collapsed banks were officially held up to me for admiration and as a retort to my warnings. Many of our promoters of co-operative banks do not like inspection; they pronounce supervisory councils unnecessary. Others—the Government included—want co-operative banks inspected by officers of joint stock banks (which banks are to make advances to them), instead of by officers of Unions. Here we have an example of what that may lead to. The managing director of the Central bank, which held millions of marks of deposits, when questioned by local banks, pronounced their money absolutely safe, although he knew his bank to be insolvent. Furthermore, the Raiffeisen principle is, never—except in quite special cases justifying such course—to grant credit otherwise than upon a statement of its object and specific approval of such object. In many Haas societies members have cash credits opened to them, as a matter of course, against which they may draw at pleasure. And that has been justified in the Union paper on the ground of convenience to the Committee.

A cluster of banks cannot exist except there be strictness and unity of principle in it. The excellence of the co-operative banks of the Haas Union in Rhineland, Saxony (both Prussian and independent), Hanover and so on, cannot neutralize the blow to credit sustained by reason of loose practice in Hesse. Sad as it is—meaning serious loss to many members, and only stopping short of ruin thanks to a heavy vote of money by the Hessian Chamber—the Hessian catastrophe may be taken to have happened very opportunely for ourselves, at a time when we are setting out on a path that may, unless we take warning and walk warily, lead to similar disaster.

HENRY W. WOLFF.

AGRICULTURAL WAGES IN LINCOLNSHIRE.—When the wages of agricultural labourers are under discussion, land reformers as a rule direct attention to the badly paid counties. There is obviously more need for improvement in the South than in the North. At the same time it must not be concluded that because we hear little or nothing about the better paid counties all is well with them. To some extent the Report of the Land Inquiry Committee puts us on our guard in this respect. The Report tells us that the figures given for the various counties are only averages, and that while some labourers earn more

than the average, others earn less. Quite so. As a matter of fact, some earn considerably more than the average, and others earn considerably less. Many people, who have no knowledge of the rural wage question beyond what they gather from statistics, are apt to think that all the labourers in a given county earn approximately the average wage for that county; some may possibly earn a little more, and others a little less, but everybody, roughly speaking, earns the average wage. But nothing could be farther from the truth. Only those who have an intimate acquaintance with village life have an idea how far the wages of some good labourers in regular employment fall below the average. In the Southern counties the difference in the men's earnings may not be so great owing to the lower standard of wages in those counties; but if it is, one can only wonder what the worst paid men in the worst paid counties actually do earn, and how they live.

According to the Board of Trade Returns, ordinary labourers in Lincolnshire earned on an average 19s. 5d. a week in 1907. According to the Report of the Land Inquiry Committee wages in the county have risen slightly since that time. At the present time, therefore, wages in Lincolnshire cannot be less than 20s. a week. Now, I do not wish to suggest that 20s. a week as an average is too high; but perhaps a word of explanation may be permitted respecting it. If you take the average wage given for any industry, it will generally be found that a fairly large number of men earn less than the average, while comparatively few earn more. Those who earn above the average are more or less exceptional men, and as a rule are few and far between. It is precisely the same in the case of agriculture. Therefore 20s. a week may exhibit the exact medium between the highest wages and the lowest in Lincolnshire; but it is scarcely a fair indication of the average earnings of ordinary men all the same.

Farmers, I am well aware, will differ strongly from such a view. They will tell you that labourers earn even more than the Land Inquiry Committee state. They will tell you that none but unskilled and worthless men in Lincolnshire earn less than 20s. to 25s. a week; say 22s. 6d. as an average. I am perfectly aware, too, that farmers are commonly regarded as great authorities on agriculture. In fact they are practically the only authorities on that subject we possess. If a man needs information on any point pertaining to things agricultural, to whom should he go but to a farmer? Yes, I know all that very well. Still, two things must be said concerning their estimate of labourers' average earnings. First, when a farmer says one of his men is earning 21s. a week, that man without fail will tell you that he is only earning 18s. Secondly, some farmers who now claim to be paying well over 20s. a

week, and even in a few cases up to 25s., are strangely uneasy at the prospect of being compelled to pay a minimum wage of 20s. 6d. And there I leave the matter.

In order to understand the village wage question it is necessary to divide labourers into four classes. They should be divided into many more really, but four will be sufficient for our purpose. First, there are the single men who live "in the house," and have a weekly or yearly wage in addition to their board and lodging, never losing any time from any cause whatever. In the second class may be included all the married men who have a yearly contract, pay no rent for house and garden, receive payment in kind to a greater or less extent, and lose no time. Thirdly, you have a class which may live on or off the farm, paying rent in the usual way either to the farmer or a landlord, receiving no payment in kind, and losing no time. Lastly, you have a class exactly like the one just mentioned, with this one difference, they are continually losing time owing to the weather and various causes. In the last class I have not included the casual labourers, although they might well have been mentioned, for, like other people, they are obliged to work in order to live. But I have purposely left them out, and am purposely leaving them out all the way through.

Another thing needs to be understood, namely, that wages sometimes vary, not merely from district to district, but even within the limits of a single parish, and in odd cases, even on the same farm. None but those who have an intimate acquaintance with village conditions have the least idea how widely wages do differ. And I may say that the variation is so great that probably no single individual is perfectly qualified to say what the wages are in any given district. It is certainly true of many districts that the only way to find out exactly is to ask every individual master and man what wages are paid on the one hand, and received on the other. You would then get to know—provided that in every case they told you the truth, which it is exceedingly probable all of them would not do. Now, obviously few people have the time, opportunity, or inclination for such an inquiry. Consequently, there is always something, most likely several things, of which you are totally ignorant, and which if known would completely alter your estimate. Life for most people in the villages revolves in very small circles, much smaller than they may be aware of, and nowhere do people need to be warned more against imagining their own garden to constitute the universe than in the rural districts. This I could abundantly verify, if space permitted, from my own experience.

If, for instance, you live at one point on the Lincolnshire wolds, all the labourers live in houses on the farms, or else in houses attached to the farms, that is in houses under the control of the farmers. The men

are all either tied, and consequently receive payment in kind in addition to their wages ; or they earn so much by piece work and extra payments at special times, lose so little time, have so many advantages such as the privilege of planting potatoes in the field at a merely nominal rent, that their earnings are practically on a level with the wages of the tied men. What is more natural than for a man living in such a locality—perhaps seldom going far from home, being mainly interested in his own affairs, generally speaking living his own life, and seeing things chiefly from his own point of view—to think that the average earnings obtaining there are the average earnings for the whole surrounding district ? But the truth is that only a very few miles away an entirely different state of things exists. There you will find a village where tied men are the exception rather than the rule ; where the great majority live in houses detached from the farms, receive no payment in kind, and no advantages worth the mention ; where piece work and extra payments are to all intents and purposes non-existent ; where anything up to one day a week is lost, and where the total earnings of the men for the most part are no higher than tied men usually receive in money apart from what they receive in kind. Here you have conditions that not a few Lincolnshire people would emphatically declare could not possibly exist, and also conditions concerning which the published statistics for the county leave you absolutely in the dark.

When the Insurance Act first came into operation a lecturer visited a village near Lincoln for the purpose of explaining its working. He had evidently gathered from some source or other, statistical or otherwise, that 18s. a week was the local wage, for he referred to the men in his audience as earning that amount. “Howd on a bit, mester,” some one called out ; “what about them 7½d. days ?” The lecturer had to admit that he knew nothing whatever about what was meant. “Then I’ll tell you,” said the man. “Sometimes when you have carried your dinner about a mile, it comes on to rain about 9 o’clock. There’s nowt no more for you to do that day, so off you go home. You’ve earned 7½d., because we only get 2s. 6d. when we get a full day. That’s what I mean.” I know the labourer in question well ; and in 1912—which was a very wet year and therefore a very bad year for men who have to lose wet time—he put down every penny he earned, and it worked out at 9s. 4½d. a week. Out of this 9s. 4½d. he had to pay 2s. 9d. a week rent—for a house that is not fit to live in. Ordinarily he earns about 14s. a week. His extra earnings amount to about 1s. 6d. a week, which should bring his wages up to 16s. 6d., but unfortunately he loses one day a week owing to the weather and various causes, which brings his wages down to about 14s. It would not be very wide of the mark to say that 50 per cent. of the labourers in that village (it is not

a small one) earn that amount. In 1912 the labourer already mentioned, and three or four others, did harvest work for 3s. 1½d. a day; that is their wages were 2s. 6d., and they received five quarter's pay. This is in well-paid Lincolnshire, a county which has been described by a leading member of the Farmer's Union as second to none in the matter of wages, and where the men are said to earn on an average at least 20s. a week.

The same village (others exactly similar could be cited off-hand) will serve to illustrate how wages may vary within the same parish. Tied labourers in that parish receive from 13s. to 14s. a week in money all the year round, a house and garden rent free, and 30 stone of bacon at Christmas. Here you have two classes of men working regularly side by side on adjoining farms; one class receives about 14s. a week in money, a house and garden rent free, and 30 stone of bacon; while the other class receives the same amount in money, and nothing further. What is the explanation? How is it that the one class is willing to work on under such unequal terms? For one thing the number of tied situations is distinctly limited, so that the others could not become tied if they wanted. For another thing they would not if they could, because tied men always have Sunday work to do, and because living in houses detached from the farms they enjoy far more liberty, politically, and in every sense.

Labourers living in detached houses always have to pay for their freedom. But the difference between the earnings of the free men and the tied men in this particular village, and in other villages that might be mentioned, is not altogether the price of freedom. It is partly due to a phenomenon that is not without interest to the student of political economy. In such villages the young men remain at home, and seem disinclined to seek their fortunes abroad. It would be difficult to say why they remain, but they do. A manufacturing town may be but a few miles away, higher wages may be offered outside, life in the village is no brighter than in other villages, and still they remain. When work is scarce they will leave home for a few weeks, but return instantly it becomes more plentiful. Consequently the supply of labour is always in excess of the demand. Such a village is a farmer's Utopia; a man is always ready when he needs one. But observe that the tied men receive the average wage of tied men in the county; it is only the free men who suffer from the excess of labour, and therefore receive less than free men usually receive. The tied men seem to have a labour market of their own, the others making no attempt whatever to compete for the tied positions. This throws a certain amount of light on the tied system, and shows what some labourers are willing to pay for the luxury of being free.

Reference has already been made to the farmers' claim that, for the district around Lincoln, no skilled men receive less than 20s. to 25s. a week, when all things are considered. The following incident has happened during the present winter within twelve miles of Lincoln. Two men whom I know perfectly well, who can shear sheep, stack, thatch, plash a hedge, sink a well, make a tennis lawn on ground level or otherwise, fell a tree, and are therefore skilled if anybody is, work on a certain estate, and are paid 20s. a week for their services. Some of the farmers on the estate, being afraid that their own men would become dissatisfied on account of the high wages these men were receiving, grumbled about the matter to the land agent. A dispute followed between the agent and the two men, in the course of which the agent was reminded that they each had to keep a bicycle and a long list of expensive tools, which cost them 2s. 6d. a week on an average. Ordinary labourers did not require a bicycle for their work, and needed comparatively few tools; if the agent would provide them with bicycles, and place them on a level with ordinary labourers in the matter of tools, they would be pleased to work for 18s. a week. Now, this 18s. a week would represent more than their real earnings, because they never receive anything extra, but on the other hand lose on an average half a day every week owing to the weather; therefore these two exceptionally skilled men in reality signified their willingness to work for an average wage of 16s. 6d. a week. With nominally 20s. a week, when wet time and exceptional expenses were deducted, their average earnings amounted to 15s. 10d. a week. And they were the envy of all eyes! Once more, this is well-paid Lincolnshire.

This is Lincolnshire, where some farmers are openly boasting about the high wages. At the same time others are trying with more or less assurance to make it clear that the county will be unaffected by the minimum wage. A recent speaker on the wage question said that what agriculture needed most of all was to be left alone. Left alone! Are able-bodied, industrious, skilful men to be left alone with 14s. a week, not to mention an occasional 9s. 4½d.? According to this view the law of supply and demand has done, and will continue to do all that is necessary for labourers. And this attitude represents the entire outlook of many farmers. With the average farmer hardly anything is so important as to keep down wages. Another crop might pay better, but if it entails more labour it is out of the question. Therefore, a proposal to raise wages seems a proposal to inflict on farmers a definite loss. On the other hand, they consider that to talk about fair rents, security of tenure, compensation for improvements, and protection from the ravages of game, is to talk about things of little real importance. There are indeed farmers who would far rather pay a



given sum to the landlord than to their men. And it must be remembered that all farmers do not live under bad landlords ; some never suffer from the ravages of game, and a great many never think of going in for improvements of any description. The farming class must not be judged altogether by the standard of those who are in the public eye, for all farmers are not in the public eye. But here is the point. If the institution of a minimum wage for farm labourers helps farmers to get out of the ruts into which they have fallen—which quite conceivably it may,—and turns their attention towards greater production instead of cheaper production, it will do more for the labourers than appears at first sight, great as that benefit is ; it will also benefit agriculture generally, and the nation as a whole.

JOSEPH CLARK.

CO-OPERATION IN INDIA.—Never has seed fallen upon more fruitful ground than the gospel of co-operation on Indian soil. Ten years ago the ground was still absolutely bare and uncultivated. There was not even a law to sanction the formation of co-operative societies. To-day it presents the appearance of a well-bearing field. On June 30 last there were, according to the official Report, no fewer than 12,324 co-operative societies in India, with collectively 573,536 members and £3,562,284 working capital. As Sir Robert Carlyle, speaking for the Government, stated at the last Annual Conference of Registrars, “including the families of members there must now be three millions of people directly interested in co-operative societies ; the total population beneficially affected is much greater. Where the co-operative movement is strong, the money-lender who wishes to keep his clients has to reduce his rate of interest and to show some consideration for his debtors. Taking this into account, at least six millions of people are now benefited, either directly or indirectly, by the co-operative movement.” Even that is not all ; for the practice of co-operation has awakened men’s minds and helped to improve their morals. The missionaries, who are doing admirable work among the backward races (whom only they can hope to instruct to any effect), find, like their brethren in Germany and Italy, that co-operation educates morally. There is a clamour also for “more education” and for a wider application of the co-operative principle, which bodes well for the future.

The figures quoted refer to British India, with the inclusion of the two native states of Mysore and Baroda. They indicate an increase upon the figures of the preceding year by no fewer than 4,147 societies and nearly 160,000 members. The working capital had grown by £1,324,006—and Government assistance with money had almost

ceased. Of the £3,562,284 working capital recorded, only £75,170 had been supplied from the coffers of the State. Deposits by members, which at the outset were pronounced altogether out of the question, had, on the other hand, mounted up to £623,643, that is, about more by 50 per cent. than in 1912. That is an excellent record.

And, although it must be understood that there is still a great deal in this infant movement that is far from perfect, on the whole, judging by the spirit which pervades it, it must be pronounced "sound." Evidently there is distinct aptitude for co-operation among the natives. Evidently also there was need of co-operation. And need is by far the best recruiting power that co-operation can command. However, great credit is also due to the Registrars, to whom the conduct of the propaganda has been entrusted. They have rightly appreciated the character of their task. Nowhere have they attempted to force the movement; they have rather restrained it, weeding out unmercifully societies formed on wrong lines or pursuing improper objects. They have in no wise "magnified their office," but, on the contrary, laboured to keep out "officialism" and to provide for the replacement of their own supervision by the work of societies themselves and by propaganda and instruction given by volunteer "honorary" workers, of whom a fair number have already come forward, with a promise of further increase in the future.

The societies thus far formed are for out and out the largest part credit societies, and among such the overwhelming majority are agricultural. That was where the shoe pinched most. The foundation having been so laid, however, there is a good prospect now of the development of the purchase and sale side of the movement on industrial ground. Befriended by the authorities, co-operators are struggling with the difficulties of establishing productive co-operation among many thousands of silk-weavers. That is a difficult enterprise. On agricultural ground there are appreciably fewer hindrances to overcome, especially as regards common purchase of goods. Accordingly we find sugar works already to some little extent profiting by the introduction of co-operative methods. Some attempts have been made to organize a co-operative sale of cotton, and the success of some co-operative dairies set up in various parts of India is the talk of the country. There are efforts being made to ensure a better supply of seed, which is very much needed. In this respect the Government might legitimately afford some help.

The young movement has not, of course, yet grown out of its period of mumps and measles. There are distinct dangers still besetting its progress, of which this is not quite the place to speak. One may hope that, having begun so well, it will succeed in surmounting them. The

outlook is distinctly promising. And if things continue on the right lines we are likely to see borne out by fact the opinion recently expressed by a native registrar to the effect that "never has there been a greater benefit conferred upon India."

HENRY W. WOLFF.

THE MONTHLY BULLETIN OF ECONOMIC AND SOCIAL INTELLIGENCE.—The *Monthly Bulletin* issued by the International Institute of Agriculture at Rome has now conquered for itself a position in periodical literature which makes it practically indispensable to students of agriculture and certain other economic questions. Agriculture is, to instance one point, in the present day so much bound up with co-operation that of necessity co-operation looms large in the investigations of the Institute.

The *Bulletin* for February is a good specimen of the kind of information so provided. The article on "Institutions for Rural Land Credit in Germany" is exceedingly opportune and sufficiently comprehensive. By the side of it appear companion articles on "Land Credit Associations" in Denmark, and "Popular Credit" in Russia and in Roumania. The Danish co-operative mortgage institutions are deserving of much more attention than they have hitherto received, and it is to be regretted that the notice here given of them should be so fragmentary. And M. Schérémetteff's account of Russian popular credit is scarcely quite equal to that quite recently issued by M. de Borodaewsky. Under the head of "Roumania"—a country now very active in the propagation of institutions, labelled "co-operative" for the benefit of agriculture—some guidance should have been afforded to enable readers to distinguish between industrial *People's Banks*—which are co-operative only in name—and rural, which form the great bulk, but which are largely dependent upon Government advances. The most interesting subject of Roumanian *obstei* is unfortunately only just touched upon.

The *Bulletin* has recently given a very full, though rather over-scientific, account of Italian *affittanze collettive*, which, pending the publication of a Committee Report, promised about eighteen months ago, still holds the field as the most authoritative conspectus on the subject. It would be well worth the Institute's while to supply parallel reviews of the progress of the movement of collective settlement—which the *Bulletin* persists in styling collective "farming"; but that would be a different thing altogether—in its parent country Italy, Roumania, Hungary, and Servia. There is no subject more interesting to social reformers at the present time.

The article on "The Co-operative Movement in Wisconsin," which is practically a summary of a series of interesting monographs issued

by Madison University, is a useful reminder of the very prominent position which that University is creditably taking in the acclimatisation of co-operation in the United States, where co-operative credit, and co-operation applied to agriculture have now become leading questions of the day. An interesting survey of institutions for co-operative insurance, by the highly experienced Professor Vliebergh of Louvain University (formerly General Secretary of the Boerenbond), and a decidedly illuminating article by Mr. John M. Ramsay, Superintendent of Statistics and Intelligence to the Scottish Board of Agriculture, on "Small Holdings in Scotland and the Effects of recent Legislation regarding them," complete the catalogue of the "plums" of this interesting volume.

HENRY W. WOLFF.

CURRENT ECONOMIC PERIODICALS.—The *Economic Journal* for March opens with Mr. P. H. Wicksteed's presidential address to section F of the British Association at Birmingham on "The Scope and Method of Political Economy in the Light of the 'Marginal Theory' of Value and of Distribution." Prof. D. H. Macgregor writes on the "Development and Control of German Syndicates," with particular reference to the coal, iron and steel industries of Germany. Mr. W. H. White-lock, in the "Industrial Credit System and Imprisonment for Debt," advocates the retention of the power of imprisonment for debt, while at the same time preventing debtors from going to prison by the adoption of some such methods as prevail at the Birmingham County Court, of which the writer of the article is registrar. Other topics dealt with in this issue are the "Economic Activities of Modern Jewry," by Israel Cohen, and the "United States Federal Income Tax," by Prof. Seligman.

The first number of *The Political Quarterly*, which made its *début* in February, deserves a hearty welcome, and we wish it every success. It will deal with the actual developments of political, social and economic policy, both in this and in other countries, from an impartial point of view. The present issue contains two very opportune and informing articles—one on "The State in Recent Political Theory," by Mr. A. D. Lindsay, the other on "Municipal Government in Birmingham," by Mr. Norman Chamberlain. Other subjects discussed are: "The Amendment of the United States Senate," by Senator Lodge; "Registration of Title to Land," by Sir C. F. Brickdale; and "The School in Relation to Civic Progress," by Mr. J. L. Paton. There are also two unsigned articles on "The Home Rule Situation," and "The Dublin Labour Dispute."

The *Church Quarterly Review* for January contains an article by a French writer, who remains anonymous, on "The Separation of Church and State." It gives the most important facts bearing on the subject since the beginning of the twentieth century. The author, with whatever truth, suggests that the policy against the Church on the part of the State was connected with the hostility excited by the line taken by the Church in the *affaire Dreyfus*.

In the *Irish Church Quarterly* for January the Bishop of Kilmore writes on "Improvement of Clerical Stipends." It appears from the article that, while since Disestablishment the stipends of curates in Ireland have increased by 100 per cent., and are paid quarterly and with unfailing punctuality instead of somewhat irregularly, the financial position of incumbents is considerably worse, partly because the average income is less and partly because there are now no benefices of large amount. No incumbency is now worth less than £200 a year, but few are worth more than £300 a year. The Bishop of Kilmore has devised a scheme by which the capital sum of £1428 may be provided for a parish—one-third by the Church at large, one-third by the diocese, and one-third by the parish—and the stipends of incumbencies augmented by £50 a year. The discussion of "The Church of Ireland and Home Rule" is continued by Sir James H. Stronge.

In the *Irish Theological Quarterly* for January, the Rev. J. Kelleher continues his remarkable articles on "Land Reform." He thinks that the Increment Value Duty and the Reversion Duty of the Land Taxes of 1909 might be made valuable if they were greatly increased, as in his opinion they might be with justice; but that these Taxes as a whole fail to solve the real land problem. He himself advocates that "the State should be empowered by Act of Parliament to transfer and appropriate land, and to determine its use whenever and in whatever manner the interests of the community may demand, the only conditions being (a) that the owner should be secured either the value of his land as determined at the general valuation or its selling value at the time of the State interference, whichever should happen to be the lowest; (b) that the existing occupier or user of the land should be compensated for disturbance."

The *Hibbert Journal* for January contains articles by Dr. F. C. S. Schiller on "Eugenics and Politics," and the Rev. T. Rhondda Williams on "Syndicalism in France and its Relation to the Philosophy of Bergson."

*The Socialist Review* is now published quarterly instead of monthly, and the January issue appears in an emerald green cover in place of the

former brilliant red. Among the articles are "Revolutionary and Constitutional Methods," by C. E. Vulliamy, in which political power is held up as the socialist's chief instrument; "The Italian Elections, 1913," by Leonida Bissolati; "Religion and the Idea of Universal Brotherhood;" and "Reaction in China." The latter gives an account of four efforts to establish Labour and Socialist Societies in China, incidentally resulting in the execution of three of the four founders.

In *Progress* for January, "Recent Proposals for Land Reform" summarizes the four programmes submitted respectively by Unionists, Liberals, Fabians and Labourites. Other articles describe the "Museum of Social Service in Buda-Pest," and how Berlin uses its school playgrounds in the holidays.

The January number of the *British Journal of Inebriety* contains the 5th Norman Kerr Memorial Lecture (some of the psychological and clinical aspects of alcohol) by Sir Thomas Clouston, and articles on Institutional and National Intemperance, and the Needed Legislation for Inebriates.

In the *Eugenics Review* for January, W. McDougall has an article on "Psychology in the Service of Eugenics," in which he lays down a programme of work to aid progress in that connexion. Part II. of Lucien March's "Depopulation and Eugenics" appears in this number, together with R. A. Fisher's "Some Hopes of an Eugenist."

The *Quarterly Journal of Economics* for last November, devotes sixty-eight pages to the Tariff Act and the Income Tax Act, giving an intelligible account of the provisions of the two Acts, which was very much wanted on this side of the Atlantic. In "The Social Point of View in Economics," Professor Haney (author of the *History of Economic Thought*) tries to put economics right by making it take, what he calls, "the social-individual point of view." It is a little difficult to discover exactly what he means by this; but it appears to involve the abandonment of the non-social point of view from which the burglar's tools were regarded as just as much "capital" as those of the honest carpenter, and that is something to the good. The article is the first of a series, and the next may clear up obscurities. "Four years more of Deposit Guaranty," "The Kartell Movement in the German Potash Industry," and "Industrial Bounties and Rewards by American States," complete the number.

The November number of *Annals of the American Academy of Political and Social Science* is entitled, "Reducing the Cost of Food Distribution." The numerous articles deal with "more efficient distribution

and conservation of foodstuffs," under "Lower Costs," through middlemen and retailing, through municipal markets, through farm credits and advertising, and through Co-operation; the concluding section being "Elements in a Constructive Program for Lower Distribution Costs."

The January number is devoted to Housing and Town Planning. The articles deal with the New House, the Old House, and Town Planning together with special papers on Fire Waste, Rural Housing, Co-partnership in Housing, etc. There are thirty-six articles altogether by the most expert authorities in America on the Housing Question. Every aspect of the subject is considered and the bibliography in the "Town Planning Library" is most useful.

The *Journal of Political Economy* for January opens with the first of a series of articles on the "Tariff of 1913," by H. Parker Willis, intended to explain in detail what the Act of 1913 really is and does. Richard Roe concludes his papers on the "United Shoe Machinery Company," and W. A. Shelton writes on "A Waterway between Chicago and St. Louis," dealing with the question of freight rates. The author decides that, with a few important exceptions, rail transportation is cheaper than that by inland navigation.

In the *Revue Économique Internationale* for November, Professor Maurice Ansiaux writes on "Le taux privé de l'escompte et le cours du change," and surveys the competition between central banks and non-issuing banks, showing also how public and private discount could be made harmonious. "Tentative de réformes bancaires en Amérique," by Professor Jaffé, summarizes the Aldrich plan and the Glass Bill of this year. Other articles are "Le problème de la propriété paysanne en Égypte et la récente loi d'insaisissabilité," by Professor Polier, and "L'association du capital et du travail par l'actionnariat ouvrier," by Comte de Briey, in which the Port Sunlight, Furness and Gas Company schemes in this country receive particular attention. M. G. de Leener discusses the effects of the legal reduction in the hours of labour in mines in Belgium, and a further article by M. Pector on the "Chemins de fer d'Amérique Centrale" appears, dealing with railways in Panama.

The December number opens with an article on the rubber market, dealing with the fall, causes and remedies, economic cultivation and sales. M. Hyacinthe Philouze has a long article on "Des conditions dans lesquelles se présente actuellement le 'crédit des états balkaniques,'" and discusses the position of the allies before the war, and the consequences of the struggle to Servia, Bulgaria and Greece. The economic

results of the Balkan War are also the subject of an article by M. Maurice Frère. M. Solvay has a contribution in this issue, "Sur les fondements positifs bio-psychique et énergéto-productiviste de l'évolution sociale," in which the main demand is for increased knowledge as a means of advancement. The seventh and concluding article by M. Désiré Pector, on Central American Railways, summarizing the series, appears in this number.

Dr. Philippovich contributes to the January number, "Le mouvement ouvrier et la réforme sociale en Angleterre," in which much stress is laid on what the author calls the frequent use of violence. Edmund Fisher writes on "La législation Américaine en matière bancaire et monétaire." In "Le 'coin des grains' à Anvers" Paul van Hissenheren deals with the principal purveyors, imports and exports of cereals, the difficulties of the actual situation, and the remedies. Georges Gariel has an article on the Swiss Federal Railways, and the results of the last ten years' operations, and Dr. Chlefner provides an historical résumé on "La Banque de Russie."

The issue for February has an article by Professor Achille Loria, comparing the recent social legislation in England and Germany, in which Mr. Lloyd George's measures are contrasted with German methods. In "La question agraire en Angleterre," recent legislation is summarised and reviewed. "Le crédit hypothécaire en Argentine," by M. Georges Lagond, is concerned with the use of foreign capital in Argentina. Other articles are "L'expansion économique de la Hongrie en 1913," and "Les progrès de l'industrie gazière."

The *Mémoires et Documents* of Le Musée Sociale for December are devoted to "La réforme de la loi sur les syndicats professionnels," and "Les écoles de perfectionnement de Munich." The *Annales* for December, in addition to the usual *Chronique*, has an account of Le 7<sup>me</sup> Congrès National de la Mutualité et de la Co-opération agricoles.

*Le Mouvement Social* for January has articles on "Trade Unionism in England," by H. Somerville, a descriptive and historical review of the movement in English; and "Sauvons nos foyers ruraux: ménagères et fermières," by Louise Zeys, a plea for the retention of country girls on the land.

The *Revue Sociale Catholique* for December, contains the final article on "Les Assurances sociales en Grande Bretagne," by O. de Spoelberch, described as one of the greatest Parliamentary reforms.

In the January number "La Régie Nationale des Chemins de Fer de l'État," by A. Verhaegen, is a review of the projected scheme for the



nationalization of the Belgian State Railways, with full text of the Report of the Commission of Enquiry appointed in 1912.

The issue for February contains "La nature du contrat de travail," by P. Bayart, an answer to M. Drijvers' article in the August-September number; and "Syndicalism et Législation," by V. Brants.

*La Réforme Sociale* for December 1, contains "Le Régime des 'charities' en Angleterre," Part I., by J. Cuylits, a review of the laws affecting charities and regulating endowments; "Le récent congrès des Jurisconsultes Catholiques," by H. Hubert-Valleroux; and "La Femme et la protection de la première enfance," Part I., by F. de Witt-Guizot.

The issue for December 16 has "Les Fondations charitables en Hollande," by A. Biebruyck; the conclusion of "Le Régime des 'charities' en Angleterre"; and Part II. of "La Femme et la protection de la première enfance."

The issue for January 16 contains "Albert Babeau," by G. de Boham, a biographical sketch. In the number for February 1, Louise Zeys writes on "Les industries rurales en France," pointing out that needlework is the chief. So popular is it that the trade is overcrowded by workers and wages are low; but in many districts women prefer to earn 4*d.* or 5*d.* a day by needlework rather than do agricultural labour at 1*s.* 3*d.* or 1*s.* 6*d.* a day. Lace-making, knitting, carpet-weaving, etc., are being organized as women's trades in rural districts. In "Le statut légal et les associations de fonctionnaires," by A. Lefas, it is claimed that Government officials have the same rights of combination and of association as other workers.

The *Giornale degli Economisti* for December contains articles on "La ferrovia di Adalia," by Ugo de Benedetti; "Intorno alla riforma doganale Nord-Americana," by Alberto Caroncini; and "Induzioni statistiche per la teoria della circolazione," by Gustavo del Vecchio, divided into Part I. "Inquiries into the Variations of Interest," and Part II. "A Paradox of Monetary Dynamics."

In the January number appear "L'uomo medio" (The average man), by Corrado Gini; "Il principio mutualistico nelle assicurazioni," by Alberto Beneduce; and "Sulla perequazione mediante curve unimodali semplici," by Filadelfo Insolera. Other contributions deal with new researches on Italian mortality, and the theory of the variations of money value. There is also an account of the Fourteenth Session of the International Institute of Statistics at Vienna and Prague.

The *Rivista Internazionale* for November contains "L'industria ferroviaria in Italia," by Camillo Corsanego, from which it appears that it is a grievous fact, but admitted by all, that the railway industry in Italy

is not advancing; "L'agro romano e gli usi civici," by Giuseppe Bruguier, a study of the origin and development, during centuries, of the civic custom affecting the common land, and of its legal aspects and economic consequences.

The December issue includes a continuation of "L'industria ferroviaria in Italia," showing the defects of the present railway administration; and other articles on "Gli esperimenti coloniali nell'Africa Neolatina," by Carlo Guilli; "Dell'estrema longevità," by Francesco Corridore; and "Un nuovo orientamento della società anti-schiavistica in Italia," by Filippo Tolli.

The *Ekonomisk Tidskrift* for December contains "The Development of Marx's Economic Sociology Theory," by Gustaf F. Steffen, in which the influence of Hegel and Proudhon on Marx is indicated; "The Coffee Trade in Santos and Rio," by Karl Hildebrand, in which it is stated that much coffee is imported from Brazil into Asia, there to be repacked and exported to Europe as Arabian mocha. Tables and statistics of the importation of coffee into different European countries are given. Other articles are "Notes on the Swedish Trade Statistics for the past Hundred Years," by R. Appelberg; "Sweden's Balance of Trade and Foreign Contraction of Debt," by Ivar Hultman; and "United States Income Tax," by David Davidson, a short review of the new law for income tax in U.S.A.

In the *Nationalökonomisk-Tidsskrift* for November-December are contributions on "The Future of Retail Trade," by J. K. Lindberg, dealing with various aspects of retail trade in Denmark and the rise in retail and wholesale prices; "The Revision of the Constitution," by H. Waage, which deals with the Government in Denmark and the question of the franchise. The author advocates proportional representation, and thinks that women should have a vote and, having a vote, a right to a seat in the Folketing. He gives statistics of various political combinations. There is also an article on "Copenhagen's Tramways during Fifty Years," by Sven Rögind.

## LEGISLATION, PARLIAMENTARY INQUIRIES, AND OFFICIAL RETURNS.

ACCORDING to the Board of Trade Report on *Changes in Rates of Wages and Hours of Labour in the United Kingdom in 1912* (Cd. 7080, xxxvi, 203 pp., 11½d.), the net weekly amount of the advance in wages was £139,000, distributed among 1,818,000 workpeople. After a period of depression in 1908 and 1909, wages began to rise again—at first somewhat slowly; but from May, 1912, the movement became more rapid, “with the result that the number of workpeople whose wages were reported as increased during 1912 was in excess of that for any previous year, while the aggregate amount and the weekly increase was exceeded twice only during the past twenty years, namely, in 1900 and 1907—both years of exceptional prosperity.”

The following table gives the net result of all the recorded changes in rates of wages for twenty years :—

Years of rising wages.		Years of falling wages.	
Years.	Weekly increase.	Years.	Weekly decrease.
	£		£
1896–1900	438,000	1893–1895	61,000
1906–1907	259,000	1901–1905	229,000
1910–1912	188,000	1908–1909	128,000
	£885,000		£418,000

Net weekly increase, £467,000.

From this statement it appears that the total effect of the wage-movements during the period of 1893–1912 has been a net gain of £467,000 per week, or, assuming full employment, £24,000,000 in a year. It should be noted that this figure is exclusive of the net advance to agricultural labourers, railway servants, and seamen.

In regard to hours of labour, since 1893, we are told that “about 2½ million workpeople have had their recognized working time per week reduced by nearly 6 million hours,” mostly brought about by legislation affecting underground miners and textile factory operatives.

The above record should be compared with the Report on *Strikes and Lock-outs and on Conciliation and Arbitration Boards in 1912* (Cd. 7089, lvi, 160 pp., 10½*d.*), which includes the period of the National Coal Strike. About 1,000,000 workpeople were involved in this one dispute, and the loss of time in and about coal mines amounted to an aggregate of over thirty million working days, or about 11 per cent. of a year's working time in the coal-mining industry. But "owing to increased activity both before and after the dispute, and the great demand for coal in a year of expanding trade, the total output in 1912 was only about 4 per cent. less than in 1911."

We are again reminded that "the number of workpeople involved in trade disputes in any one year forms but a small proportion of the total number of persons employed in industrial occupations throughout the United Kingdom." In 1912, the proportion affected was higher than in any of the nine preceding years—viz. 13·4 per cent., as compared with 9 per cent. in 1911, and an average of 3·9 per cent. for the ten years 1903–1912.

In regard to the duration of disputes, it is stated that "the aggregate number of working days available for the whole industrial population, exclusive of agricultural labourers, may be roughly estimated at rather more than 3,200,000,000. The aggregate duration of all disputes in progress during 1912 amounted to 40,914,675 days, or nearly one seventy-fifth of this total. In other words, the amount of time lost owing to disputes in 1912, at the establishments immediately affected, would have been nearly four working days per head if spread over the whole industrial population."

Part II of the Forty-Second Annual Report of the Local Government Board deals with *Housing and Town Planning* (Cd. 6981, lxxii, 67 pp., 7*d.*). No doubt we are all now agreed, both inside and outside Parliament, that this is one of the most serious social problems of the day. It must be confessed, however, that, in spite of our general agreement, progress has not been very rapid. There are three main lines of solution: (a) the maintenance and improvement of existing houses, (b) the provision of new houses where required, and (c) the clearing and improvement of slum areas. In regard to the first of these, the Local Government Board think it is fair to claim that the result of the Act of 1909 has been "to kindle a very remarkable activity on the part of a large proportion of the local authorities, which in its turn has tended to some extent to cause owners of small property to take a more enlightened view of their responsibilities to their tenants." But not even the optimism of a Government Department can pretend to be completely satisfied with the progress which has been made in the direction of the

provision of new houses by local authorities, particularly in the agricultural areas of rural districts. We are assured, however, that "there has been a good deal done, and that if allowance is made for the fact that this is a form of municipal activity with which many local authorities are only just beginning to be familiarized, and which is beset with some special difficulties, the results are by no means discouraging."

Those who are interested in the question of the cost of living of the working classes will find an abundant mass of information in the Board of Trade Report on *Working-class Rents and Retail Prices* (Cd. 6955, lxxiii, 398 pp., 4s. 11d.). This Report is in continuation of a similar inquiry made in 1905, the results of which can now be compared with those for 1912. It also provides details of the rates of wages in 1912 for three important trades—building, engineering, and printing. The method of index numbers is used for the purpose of comparing the levels of rents, retail prices and rates of wages, London being adopted as the base.

There is a considerable uniformity in the level of rents, combined with marked variations. "Rents in the Middle Zone of London being represented by 100, the extreme rent index numbers for provincial towns are afforded by Newcastle with 84, and Macclesfield with 38. For seven towns, besides London, the index number exceeds 70, while for 13 other towns it is less than 50; 45 of the 88 towns have index numbers ranging from 53 to 64." It will be seen that rents in London are much higher than elsewhere; but they have decreased, on the whole, 6 per cent. during the last seven years.

Geographical group.	No. of towns included.	Mean percentage increase (+) or decrease (–) in		
		Rents.	Retail prices.	Rents and retail prices combined.
London { Middle Zone .. ..	1	– 4	+ 12	+ 9
London { Inner Zone .. ..		– 6	+ 12	+ 8
London { Outer Zone .. ..		– 2	+ 10	+ 8
Northern Counties and Cleveland	9	+ 0·7	+ 13·2	+ 10·7
Yorkshire (except Cleveland) ..	10	+ 1·3	+ 14·0	+ 11·5
Lancashire and Cheshire ..	17	+ 3·4	+ 15·8	+ 13·3
Midlands .. ..	14	+ 0·4	+ 14·4	+ 11·6
Eastern and East Midland Counties .. ..	7	+ 3·1	+ 12·4	+ 10·5
Southern Counties .. ..	10	+ 1·2	+ 9·8	+ 8·1
Wales and Monmouth .. ..	4	+ 4·3	+ 15·0	+ 12·9
Scotland .. ..	10	+ 1·9	+ 13·1	+ 10·9
Ireland .. ..	6	+ 1·2	+ 15·0	+ 12·2

The retail prices for food and coal exhibit much greater uniformity. In 14 towns prices are higher than in London, the maximum index number being 108 for Perth. Sixty-five of the 88 towns have index numbers ranging from 94 to 100, and nine have index numbers less than 94, the lowest being 90 for Wolverhampton.

The percentage of increases between 1905 and 1912 in the towns considered as a whole is as follows : Rents have increased 1·8 per cent. ; retail prices 13·7 per cent. ; rents and retail prices combined 11·3 per cent.

The table on p. 208 gives the details for the various geographical groups.

Mr. J. R. Cahill's Report to the Board of Agriculture and Fisheries on *Agricultural Credit and Agricultural Co-operation in Germany* (Cd. 6626, xxxvi, 528 pp., 5s.) should serve to stimulate the efforts of those who are trying to establish similar institutions in this country. Germany now has no less than 17,000 agricultural co-operative banks, with a total membership of over 1½ millions. In 1910 the turnover of 14,729 such banks amounted to £261,665,000 ; at the end of that year the outstanding loans totalled £93,034,000, the savings deposits £92,429,000, and the deposits on current account £10,865,000. As showing the success and sound management of these societies, in the 16 years 1895-1910, only 19 rural credit societies were involved in bankruptcy.

The 8th volume of the *Census of England and Wales, 1911* (Cd. 6910, 667 pp., 5s. 6d.) deals with Tenements in Administrative Counties and Urban and Rural Districts. There are 7,970,660 private families in England and Wales, comprising a population of 34,776,402. The table given shows that of 100,000 tenements, 3207 consist of one room only, 8314 of two, and 13,948 of three rooms. Of the one-roomed tenements, 1547 were occupied by one person, 933 by two, 416 by three, and so on in decreasing numbers. The greatest number living in a one-roomed tenement was a family of 9. The commonest size of tenement is that consisting of four rooms, which forms nearly 25 per cent. of the whole. Over 73 per cent. of the total tenements consist of from three to six rooms.

The summary tables given in the Annual Statement of the *Trade of the United Kingdom with Foreign Countries and British Possessions, 1912, Vol. I.* (Cd. 6810, 669 pp., 5s. 5d.) are classified under the usual four main headings of food, drink, and tobacco ; raw materials and articles mainly unmanufactured ; articles wholly or mainly manufactured ; and miscellaneous and unclassified. Figures are given for each year from 1908, showing a steady increase both in imports and exports. The imports for 1912 were valued at £744,640,631, as against £680,157,527 in the previous year. In 1908 imports amounted to

£592,953,487. Exports, which in 1908 were valued at £456,727,521, had by 1911 risen to £556,878,432, and in 1912 totalled £598,961,130. It is interesting to note the difference in the incoming and outgoing of manufactured articles. Under this head imports amounted to £185,466,843, while exports of home manufactures reached a total of £385,028,315.

The government of India may not be ideal, nor may it be altogether a good thing for Western civilization to be imposed upon an Eastern people. But no one can glance through the *Statistical Abstract relating to British India from 1901-2 to 1910-11* (Cd. 6637, 293 pp., 1s. 3d.) without being struck by the immense progress, according to Western ideas, the country has made under British administration. The volume should be at the elbow of every student of Indian industrial history, containing as it does information with regard to area and population, justice and police, finance and coinage, municipalities, education, agriculture and forests, railways, irrigation works, foreign trade and shipping vital statistics, industries, and many other matters.

J. L. DOUGAN.

## REVIEWS.

**WEALTH.** A Brief Examination of the Causes of Economic Welfare.

By EDWIN CANNAN, M.A., LL.D., Professor of Political Economy in the University of London. [274 pp. Cr. 8vo. 3s. 6d. net. King. London, 1914.]

It is a welcome change to find this title given to a text-book on economics; and the book itself is characterized by a freshness of thought which will make it stimulating to teachers, for whom it is primarily intended. It is simple in form, for each chapter is like a spoken lecture; there are no head-lines nor tabulations, no references nor bibliography, and few technical terms. But the table of contents contains a complete analysis of the full text, and the order of subjects, except possibly in one instance, is quite clear. The style is colloquial, even to a fault, as there are several instances of inexact English; but it is full of life, and is calculated to impress the reader's imagination as well as his reason.

Such books must always begin with something in the way of definition; and here the first point of discussion is the limitation of the subject. In this connexion, the author dismisses exchange-value as the criterion of wealth, and finally defines his subject, in the economic sense, as material welfare, while acknowledging that the dividing line between this and non-economic satisfaction is not clearly marked.

The conditions of wealth are then examined, first in the hypothetical case of an isolated man, and then in regard to society. The beginner might well be advised, in this as in similar books, to start with this part, rather than introductory abstractions; for these early deductions are simple, and seem even too obvious for such lengthy dissertation. Yet, though they are simple, it might be suggested that the advantages of "Division of Labour" should be grouped in a more comprehensive way. Certain aspects of this question appear to appeal to certain authors, so that few present it as a whole, and many seem to be even weary of its constant recurrence.

Demand comes next in order of treatment—a part of the subject which we might have expected to occur earlier in the book; and,



after some discussion of value, the author treats of interest on capital, then of incomes from various aspects, and lastly of the "wealth of nations."

In dealing with population and interest respectively, Dr. Cannan does not make his argument so easy for the student as he does elsewhere. His style is as lucid as ever, but the points at issue are not focussed so clearly, and interest is not brought into line with other applications of value.

Another question which is left obscure in its principles, though much worked out in detail, is that of the distribution of income. No connexion is drawn between this and the agents of production, though doubtless the thoughtful reader could evolve it for himself. As regards the incomes gained from property and labour, the author always takes into account the non-economic elements of social life, and perhaps it is for this reason that he does not dwell upon the supposed solidarity of interests of employers and employed.

On the other hand, much enlightenment may be gained from the exposition of that often mis-used term, "marginal utility," also from the description of property with its economic effects, and from the examination of the real differences between one income and another. Here the reader is led on by means of familiar conceptions, and is not burdened by the compound expressions which mar so many new works on elementary economics. It is difficult to see why the treatment of interest and distribution should not have been made equally clear, unless it is that these are weighed down by excess of knowledge.

The concluding chapter is more combative than the rest; and, while ably exposing some fallacies of protection, presents the arguments of its upholders in an unnecessarily unfavourable light. Nationality, as a sentiment or as a force, is depreciated, and many would not agree with the conclusions made, since various facts and motives are ignored. However, this is only a small part of a book which will be found valuable to teachers, and one which no doubt will lead its readers to Dr. Cannan's larger works.

M. W. MIDDLETON.

INSURANCE AND THE STATE. By W. P. GEPHART, Ph.D. [xiii, 228 pp. Cr. 8vo. 5s. 6d. net. Macmillan. New York. 1913.]

The author of this treatise is Professor of Economics in Washington University, and dates his preface from Ohio State University. He has written a previous book on the principles of Insurance. The present work is designed for American readers. To the English mind it and its title may give rise to some confusion between the State as an

abstract idea, and the State as representing one of those sovereign communities, which together constitute the Republic of the United States of America, as distinguished from the federal body thus constituted. The book deals with three different sorts of insurance—life insurance, fire insurance, and social insurance, and sets forth in respect of each of them the arguments for and against the proposition that the State should monopolize it. At present, everywhere in the United States (with certain minor exceptions) the business of insurance is under private control. The Supreme Court has decided that it is neither interstate commerce nor an instrumentality of commerce. Hence it does not fall under the control which the constitution has reserved to Congress and the only control to which it can be subjected is that which any individual state of the Union may impose upon it. The problem is not therefore a simple one, since conditions may exist in some of those states which would point to a different solution of it from that which would be appropriate to the conditions existing in other of those states.

The Legislature of Wisconsin passed a law in 1911, under which from the 1st January, 1913, that state may transact the business of life insurance under certain prescribed conditions, but the state is not to be responsible for anything more than the fund to be accumulated. Here there is no monopoly, but it appears that the rates of premium are less than those now charged by private companies. The legislature of Massachusetts passed a law in 1907 under which Savings Banks may sell contracts of assurance and annuities under certain prescribed conditions, and are required to provide a special guarantee fund. As less than 7000 policies are in existence, the plan must be considered to have been unsuccessful. These are the only American precedents cited by Professor Gephart.

Upon the question whether life insurance should be a State monopoly, the author expresses no decided opinion, though the weight of his arguments bears strongly on the negative. The reasons in its favour must be either as (1) securing revenue for the State ; (2) more generally extending the benefits of life insurance, or (3) better regulating the business. As to the first, he questions whether life insurance would be a proper source of revenue ; as to the second, whether the State could offer more attractive terms than the ordinary insurance office ; as to the third, whether the existing conditions of business are not as effectual as State management would be. A monopoly could not be established without consideration for the vested interests of existing policyholders in companies, though it might be possible to prohibit the companies entering upon new contracts after a given period, as appears to have been done in Italy by the law of 4th April, 1912, which made life insurance a State monopoly.

On the subject of fire insurance, the author sums up against a State monopoly, but appears to approve of State regulation of the private companies where their expenses are too heavy, or the rates of premium insufficient.

The expression "social insurance," is one which has come into use of late years. Prof. Gephart defines it in its widest sense as including all those applications of the insurance principle which protect the social organism against risks to which it is exposed. He distinguishes it from other forms of insurance, in which the private or personal interest predominates, in the thinking of the people, over the social interest. In the case of industrial accident insurance, he approves of the principle of the English Workmen's Compensation Act, by which provision for accidents of all kinds is made an insurance charge upon the industry. He is of opinion that this insurance should be compulsory and should be administered by the State as a monopoly. He arrives at the same conclusion in respect of insurance against sickness, old age, and unemployment. With regard to the establishment of a system of old age pensions in the states of the American Union, however, he draws attention to several practical difficulties arising from the doctrine of state sovereignty that need to be solved before the system could be adopted in that country. Unless neighbouring states could agree upon making laws in all respects similar to each other, there would be an inducement to migrate to the state which offered the best terms.

This well written little treatise on a great subject is calculated to effect its object of attracting the interest of the public to the problems which it has been written to propound.

EDWARD BRABROOK.

BUREAUCRATIC GOVERNMENT. A Study in Indian Polity. By BERNARD HOUGHTON. [vii, 200 pp. 8vo. 3s. 6d. net. King. London, 1913.]

There is certainly no dearth of counsellors as to the more excellent way of governing or not governing India. Mr. Houghton's contribution to the problem, *Quo vadis, domine?* has the distinction of presenting the views of an ex-civil servant and at the same time views that might at first sight have been least expected from such a source. As the title suggests, the point upon which Mr. Houghton fixes attention is the defect in the qualities of bureaucratic government, both in general and in particular application to India, and Burma, from which many of his illustrations are drawn. Mr. Houghton starts from what he regards as a self-evident proposition, that "India's demand for self-government must increase steadily in strength," and that the problem

therefore before British statesmanship is "how to guide and control that movement, and above all things how to understand it." And this means to Mr. Houghton to understand the system of government "against which it is a protest, and which, in fact, is in some sense responsible for its birth."

This system is a bureaucracy—"perhaps the most perfect of its kind in the world." The inquiry is regarded as the more opportune in view of the tendencies to increased officialdom in the home country itself. Mr. Houghton accordingly begins with an historical account of the way in which a bureaucratic government has come to supersede an autocracy in India. "Impersonal has superseded personal absolutism—the absolutism of a machine, that of a man." The chief cause of this growing centralization of authority has been the development of means of communication, which has had the unforeseen effect of "revolutionizing the government."

The author proceeds to discuss bureaucracy at first in its more general aspects, and then with reference to certain familiar outstanding questions of Indian polity. Further illustration of its tendencies are found in the speeches of "a very outspoken viceroy" and in the government of an Indian province—to wit that of Burma. It may be observed that by a probably undesigned coincidence the typical bureaucrat who is here selected for criticism has just published a reasoned vindication of his attitude towards the popular aspirations of which Mr. Houghton is the champion; so that students of Indian problems have the advantage of looking upon the presentment of two very different pictures.

Finally, the author concludes with some suggestions, which are made in the light of present conditions, "for the better satisfaction of native aspirations, while preserving intact the supremacy of England"—suggestions avowedly intended to "pave the way towards self-government, towards democracy," which Mr. Houghton assumes throughout to be "the goal towards which events irresistibly march." The suggestions themselves are somewhat milder than the language in which they are couched. It is, for instance, an arguable if a disputable proposition that a "first step towards reform seems to lie in a lower age, with a lessened university training, for the Indian Civil Service." But the proposal is not helped by the suggestion that "the present rules for the Indian Civil Service, which were avowedly framed in the interests of these two universities [Oxford and Cambridge], inevitably tend to produce men imbued with such (*sc.* 'oligarchic') ideals, convinced supporters of exclusive rule." It would have been sufficient as well as truer to say that under the present system there is a tendency for men to become too mentally "set" and to some extent *blasé* (with

examinations), and to get too little probation for their future work. But there are quite as many and possibly weightier considerations on the other side; and at any rate the particular point made by Mr. Houghton is more "popular" than true.

There is likely to be more agreement on the general tendency of the reforms which Mr. Houghton suggests in the framework of the Government itself, so far as they are calculated to diminish the range and influence of officialdom pure and simple, and to check "the pettifogging interference which is the curse of the present administration of India"—the iron of which has evidently entered into the soul of the author. It would be beyond the scope of a review to enter more closely into Mr. Houghton's interesting proposals: it is sufficient to remark that they culminate in a "major reform"—the development of provincial Councils from which, and not from the Council of the Viceroy, the author anticipates that "the Indian Parliaments of the future will spring."

Space will only permit of two general observations on the nature and tendency of the author's argument. In the first place, its major premise is in itself so ambiguous that it needed a rather more careful statement and foundation than the author is at pains to establish. Phrases like "self-government" or "government by the people" quite generally, and still more in application to the particular facts of our Indian population, require further analysis; nor can analogies from Canada or South Africa be applied to India without more attention to the points of difference. It would have been quite possible for Mr. Houghton to have developed his criticism of bureaucracy without committing himself to what many people will regard as rather dogmatic and doctrinaire assertions as to either the effectual demand or the actual preparation for "self-government" in India. It is better regarded more as an administrative than a political question. Democracy is, after all, more than a form of government; and it may very well exist along with institutions that may not be democratic in form. In any case "popular government" assumes a certain homogeneity in the community which is still very far to seek in India. The other observation relates more to the temper of Mr. Houghton's book. There is a certain hardness and harshness in his judgments both of facts and of persons which tends to lessen rather than strengthen the effectiveness of his argument. This, if it is true, is a pity: for the points which Mr. Houghton raises deserve the serious attention of any student of the perplexed and perplexing problem presented by the situation in India.

SIDNEY BALL.

REVOLUTIONARY SYNDICALISM. By J. A. ESTEY, Ph.D. [xxxi, 212 pp. 8vo. 7s. 6d. net. King. London, 1913.]

Dr. Estey is described as "sometime Professor of Economics in Dalhousie University, Nova Scotia," and this is the more interesting because there is not much economic discussion in the volume. He writes from the standpoint of a well wisher of Labour, which he identifies with the Labour Movement. He writes sympathetically of every phase of that movement; but his own view is that the ideals of Collectivist and Syndicalist alike are chimeras, and that the increase of philanthropy, acting—in his opinion much too slowly—through legislation, will in course of time remove "the wage system" or at least its heavy "burdens." He refers throughout to Capital and Labour as though they were two camps of plainly distinguishable people; speaks constantly of the "powers and privileges" of capitalism and the "bourgeoisie"; and appears to assume that these terms represent definite entities which can and ought to be fought against and destroyed by all good men. Similarly he speaks of the material and economic gains which organized labour and strikes have won for the producers, as though they were matters of historical fact not admitting of dispute. The reader is left to wonder what text books were used in the faculty of economics at Dalhousie.

For example, even Dr. Marshall is unwilling to say more than that "The power of Unions to raise wages by direct means is never great; it is never sufficient to contend successfully with the general economic forces of the age, when their drift is against a rise of wages. But yet it is sufficient materially to benefit the worker, when it is so directed as to co-operate with and to strengthen those general agencies, which are tending to improve his position morally and economically" (*Economics of Industry*, p. 408).

Throughout his two hundred pages of careful study of the Labour Movement these generally accepted principles never seem once to occur to him. Would be philanthropic legislation is not discussed, but merely comes in as the author's panacea; it is therefore perhaps unreasonable to expect a reference to the scepticism of economists as to any benefit likely to accrue from it. Are these curious omissions due to that subtle magnetic wave which seems to be closing the mouths of so many professors at a time when the production of wealth has become the happy hunting ground of politicians—happy for them but disastrous alike for producer and consumer—and when a little testimony from them might be so salutary?

Dr. Estey begins with a very brief historical sketch of what Socialists and Syndicalists probably think has been the chief development in

France since the Franco-Prussian war, or rather since the Commune, and then settles down to describe the ideas of the outstanding Syndicalist leaders, and the attempts of the last ten years to apply them. He gives us frequent references at the bottom of the page, mainly to Sorel, Lagardelle, Pouget, Griffuelhes, Berth and Pelloutier ; but he does not quote their own words at all, and though we feel that he has studied and is rendering his conception of their thoughts most conscientiously, some will find this method tantalizing.

However, this study is a contribution of first-class importance to the explication of what appears to many observers the state of mid-summer madness into which so much of Labourism has got. On this side of the channel it seems possible to trace much of it back to a fallacious, misleading and none too scrupulous use of statistics, specially selected, those calculated to take the wind out of the sails of agitation being carefully suppressed. In France the same *rôle* has been played by a similarly misleading use of Darwinian speculation. Dr. Estey's account of this is delightful reading, were the reader not haunted by the thought of the unnumbered families whose prosperity has been ruined and their sentiments warped and blasted by the propagation of this paradoxical speculation.

When M. George Sorel was a Syndicalist (he has now declared against the whole movement, Dr. Estey tells us) he first of all hypostatized Capital and Labour ; he then declared that on Darwinian principles they must struggle unless they are to deteriorate, and, as they both came out of the same egg, to wit, a romantic analysis of the phenomenon of industrial production, they can only struggle against each other. Labour is to harry capital every hour of every day both openly and clandestinely, and capital is expected to become more and more efficient in its business, the production of wealth, under this treatment. Meantime Labour, by dint of insulting foremen and managers, spoiling work, breaking tools and machines, and as frequently as possible stopping production altogether, is to become so efficient that on the day of Armageddon it will be able in one hour to add to its own duties those hitherto performed by financiers, managers and foremen !

As a constructive scheme Dr. Estey has little difficulty in showing that this is absurd. It contains, however, some very valuable criticisms of the current socialism from which the Syndicalist intellectuals broke off. Socialism generally assumes that the production of commodities is a process which goes on automatically like sunshine and rain, and can be manipulated like a supply of water or electric power by any ingenious busybody who addresses himself to the task. M. Sorel, on the contrary, puts the difficulty of securing adequate and efficient production in the forefront, appreciates the great service rendered by

thrift, enterprise and discipline to this vital process, and exhorts the wage-earner to acquire all these virtues in a maximum degree. Where his influence has been so deadly is his combining what the intelligent wage-earner must feel to be a far sounder analysis of the business of production than any Socialist makes, with a pseudo science which is as delusive as it is difficult for the wage-earner to criticize. Needless to say M. Sorel's utopia is the same as that of all the utopias of our time. It assumes the disappearance of the very human weaknesses to which is due the fact that wealth production is a resultant of largely selfish activity rather than of conscious intelligent co-operation for the common good, and then goes on, not unnaturally, to point out that a society in which all men are good and intelligent will be an easy one to get along in. The reader will be reminded of Zola's *Travail* in which the same transformation scene takes place. The exposition of intellectual Syndicalism is Dr. Estey's main thesis, and he sticks to his last with admirable persistence. Recent great strikes, the rise and organization of the Bourses du Travail, and of the C. G. T. itself, come in incidentally and he is clearly at home in the details of those subjects, but he never leaves his main theme to become discursive.

The seats of learning and intellectual activity are the workshops in which have been forged the tools of agitation that are reducing the wages, opportunities and well being of the wage-earners in western countries: an agitation which the Japanese, for example, are so determinedly and so successfully keeping out of their empire. It is at the seats of learning that these seeds of disaster must be sought and dug up, and Dr. Estey has done yeoman service in showing to those who have not time to read Sorel and his quondam friends just what this intellectual mischief is. The book contains a short bibliography and a short index; also a very helpful and informative introduction by Mr. L. L. Price under whom Dr. Estey once studied.

J. C. PRINGLE.

CO-PARTNERSHIP AND PROFIT-SHARING. By ANEURIN WILLIAMS. [vi, 256 pp. Cr. 8vo. 1s. net. Williams & Norgate. London, 1913.]

This is an admirable little book. No one knows more about co-partnership in practice than Mr. Aneurin Williams, and he has told us exactly what we want to know. We have had books written mainly from the theoretical standpoint, and many papers and addresses by persons practically interested in the movement, most of them issued by the Labour Co-partnership Association; but nothing has appeared before this which was at the same time so readable and so complete.



Principles are clearly stated ; the various forms of profit-sharing and co-partnership, true and spurious, are clearly distinguished ; and the selection of instances given is worthy of all praise. Instead of confusing masses of figures and details, which mean little or nothing to an ordinary reader, we have full accounts of carefully selected types ; yet no notable scheme is left out, and where failures have occurred, the reasons are clearly indicated as in the case of the schemes initiated by the late Lord Furness, or earlier by the Messrs. Briggs, of whom "one fiery speaker declared that 'all coalmasters is devils, and Briggs is the prince of devils.'"

Profit-sharing and co-partnership have no fixed formula, but all forms agree in this, that they recognize a claim on the part of labour to some benefit over and above wages. This benefit, as Mr. Williams says, "may take any form from tipping to partnership, and all these forms melt into one another by indistinguishable shades and differences." There can be no doubt that the wide acceptance of the principle would introduce a considerable modification into the existing wage-system. A share in profits means much ; a share in management means more. And it is important to recognize that a very real share in management can be assigned to a large number of workers, without endangering the stability of the whole undertaking, by instituting a sort of hierarchy of committees, the members of which have a voice in that department of which they have practical knowledge. Sir W. Lever has successfully worked out a system of such committees, leading up to councils, and from these councils has been able to take the whole of his Board of Directors. "So," in his words, "you get diffused management throughout the whole."

A novel form of co-partnership has just been embodied by the French Government in a Bill, which unfortunately "will be opposed by the extreme wings of both capital and labour." These companies are to be called *Sociétés à Participation ouvrière*. A certain proportion of the shares are to be set aside as the collective property of the workmen. They will not represent capital paid in, or be any one's individual property, but they are to receive dividends at the same rate as the ordinary shares.

The relation of Co-partnership to Trade Unionism is discussed in the ninth chapter. Mr. Williams is clear that if the two could be proved to be incompatible, Co-partnership would have to go. "No other movement for the benefit of labour can justify itself if it involves any serious injury to Trade Unionism." But he is equally clear that it does not involve any such injury. "Men who thought that they could do without Trade Unionism would very soon find that it is the necessary protection of the standard usage, and that without a standard usage

profit-sharing can hardly be anything but a delusion." The opposition of so many Trade Unionists is probably due in part to the fact that some of them, or their fathers, have had a bitter experience of sham schemes in the past, and so not unnaturally misconceive the system; and partly to an uneasy suspicion that "capital" is trying to separate them from their fellow-workers, and get them on to its side in the industrial warfare which looms so large before them. It is a phase through which we are passing, and an inevitable phase; but signs are not wanting that it will not last for ever.

L. V. LESTER-GARLAND.

MARITIME ENTERPRISE, 1485-1558. By JAMES A. WILLIAMSON.  
[416 pp. 8vo. 14s. net. Clarendon Press. Oxford, 1913.]

The paradox of yesterday is, we all know, the truism of to-morrow; and it is difficult to realize that the statement of Seeley that the Anglo-French struggle of the eighteenth century was in fact a fight for trade ascendancy seemed at the time startling. We are now, however, beginning to recognize that economic considerations played a leading part in political history from a much earlier date; from the time, indeed, that feudal anarchy yielded reluctantly to the conception of the organized State. The seventeenth century mercantilism of the English Navigation Laws and the French *pacte colonial* did not come into life full-born, but were the product of years of careful preparation. Whosoever wishes to be convinced of this cannot do better than read Mr. Williamson's book on *Maritime Enterprise* which deals with the formative years 1485 to 1558. At once based on original research and most lively reading, the volume recalls the methods of the French rather than the English or American investigators; whilst its delightful illustrations are a feature which no French book of the price could probably boast. Mr. Williamson has been partly forestalled in his task by G. Schanz; but as the latter's book, *Englische Handelspolitik gegen Ende des Mittelalters*, has not been translated into English, the way was clear for an independent treatment of the subject.

Chapters on Henry VII. and his "commercial policy" and "Mercantile Organization" lead to a treatment of the Cabot voyages which is singularly clear and convincing. Mr. Williamson differs from most of the authorities in arriving at the conclusion that there were *three* distinct Cabot voyages of which evidence has survived, and that the third voyage under Sebastian Cabot is memorable as having initiated the search for the North-West Passage.

It is impossible here to consider the arguments upon which Mr. Williamson relies, but assuredly they deserve a most attentive hearing.

In an interesting chapter on "an early colonial project" of 1501, Mr. Williamson puts forward the suggestion that "the clue to the colonizing ideas set forth in the patents" was "the persistent belief in the existence of a practicable channel leading to Cathay and India, the discovery of which would have given England the possession of the shortest route and an immense advantage over all rivals." "Such a passage, when discovered, would need to be fortified if its use was to be monopolized by the English."

A chapter on "the growth of commerce" shows that, in spite of the pomp and show of Henry VIII.'s foreign policy, commerce pursued its course along the lines which Henry VII. had laid down. During these years the tradition was being produced of which English commercial and maritime pre-eminence was the outcome. What counts is "the accumulated exploits of the infinite number of small men, but for whom the Drakes and the Hawkinses . . . would never have been." "A nation of Boeotians, ploughmen, country squires and great feudal magnates could never have founded a colonial empire beyond the seas; it failed permanently to hold a military empire close at hand in France. A nation, on the other hand, which had transformed some of its ploughmen into craftsmen and mariners, its squires into merchant adventurers, and its nobles into fighting admirals and projectors of plantations, was fit to seize and possess the waste places of the earth, and to build a world-enveloping power on the proceeds of a world-enveloping commerce. Of this process the reign of Henry VII. was the seed-time; his sons saw the first pushing of the young plant above the mediæval clay."

But, in order that a world-enveloping commerce should be brought into being, it was necessary that the English manufacturing interest should be master in its own house. Hence the removal of the privileges accorded to the merchants of the Hanseatic League was the condition precedent to English expansion. Political considerations delayed the attack; but these privileges were gradually whittled away; and, at the time of the final expulsion of the Hansa in 1598, "England had become so relatively great and the Hansa so small that the eviction of the Easterlings was accomplished with no more stir than would have accompanied the seizure by the bailiffs of a private debtor's house."

The decline of the Hanseatic League inured to the profit of the English merchant adventurers whose organization was of political as well as of commercial importance. They formed at Antwerp an English outpost, the value of which was considerable.

Successive chapters on the "Mediterranean," "Voyages and projects of discovery under Henry VIII.," "The African voyages" and "The North-East Passage and the White Sea" bring out the various trade activities of the time. Mr. Williamson has the happy gift of extracting

the pith of a Hakluyt narrative in a short compass. The little progress made in discovery and oceanic enterprise was no doubt in great measure due to the absence of a genuine public interest. In this respect England lagged behind the Iberian peninsula, France and Italy. By means of official documents Mr. Williamson proves an alibi for Thomas Pert or Spert, who is accused by Eden of having behaved badly in an expedition of 1516 or 1517; and the account of John Rut's voyage of 1527 is equally thorough and convincing.

Enough has, it is hoped, been said to commend this volume to the reader. As a specimen of its style take the following: "But Sebastian Cabot was not the subtle and calculating villain that he has often been painted. The key to his unending restlessness was nothing more nor less than an egregious vanity, a never-satisfied desire to be praised, looked up to, consulted, a morbid fear that he was falling in the esteem of his fellows. Hence his offers to betray secrets he never possessed, his boasts of exclusive knowledge in astronomy and navigation, which he never revealed, and his tacit acquiescence in the attribution to him by contemporary historians of the honour of being the original discoverer of America. Yet, with all his hollowness, he was a useful man; he probably knew as much of the scientific side of navigation and geography as any man living, although he professed to know much more; and, in the course of his long career, he could not have failed to acquire a very perfect knowledge of the details of Spanish methods of exploration and discovery."

Without sea-power maritime enterprise can only exist on sufferance; and so the volume closes with chapters on "Ships and Men" and "The Navy."

H. E. EGERTON.

BUSINESS ORGANIZATION AND COMBINATION. By LEWIS H. HANEY, Ph.D. [483 pp. Crown 8vo. 8s. 6d. net. Macmillan. New York, 1913.]

ECONOMICS OF BUSINESS. By NORRIS A. BRISCO, Ph.D. [390 pp. Crown 8vo. 6s. 6d. net. Macmillan. New York, 1913.]

Although faculties of commerce have been created in our English Universities, designed to provide an academic training mainly for the employer class, yet the literature devoted to the analysis of modern business organization has suffered from a lack of material based on British practice and experience. Accordingly we have to look to the American universities for guidance in this branch of study, and these two books are excellent examples of the care and scholarship given to the subject.

Dr. Haney's book has been designed for special use in American colleges, but will also be useful to those business men who desire to have a comprehensive knowledge of the economic and legal aspects of business organization. With this aim, technical language is avoided, and numerous concrete examples are given. A bird's eye view of the scheme of the work will show how thoroughly the author has covered his ground. He begins with a general survey of the subject, showing the evolution from the old guild system on to partnerships, joint-stock companies, corporations and trusts; then he analyses the structure and the history of a typical business corporation; finally he treats of the trust problem in America, and suggests a comprehensive and scientific solution of the questions of public policy raised.

Dr. Brisco's book is on similar but simpler lines. He extracts the principles of business from the experiences of successful business men, and explains the methods by which these principles may be applied. Accordingly this book is more for the office and less for the class-room, as it treats of severe practical problems—the analysis of cost accounting, labour efficiency, buying, selling, principles of advertising, trade marks and patents.

From the religious point of view these two books emphasize the fact that it is not only the duty of a good Christian, but also the duty of a good business man to understand and consider his workmen. Both writers lament that, until the dawn of the twentieth century, the labourer was looked upon rather as part of the factory equipment than as a man with rights and privileges. "Business building requires the co-operation of employers and employees," writes Dr. Brisco; "and this demands that the employee be led through self-interest. . . . The contented employee has a positive money value. . . . Efficiency demands healthy workmen. . . . The interest of the employer extends to the homes. . . . Medical care and inspection is a necessity in factory and home." He believes that both employers and trade unionists are realizing that efficiency "pays" both capital and labour, and looks forward with hope to the present attitude of mutual suspicion being changed to one of mutual respect and confidence.

After reading these books it is impossible not to regret that in English Universities there should be such a lack of good text-books on this important subject. On many points British business procedure differs entirely from that of America, and there is a growing need for analysed examples of the working organization of representative British businesses of various types and dimensions.

B. S. TOWNROE.

THE LAND: THE REPORT OF THE LAND COMMITTEE INQUIRY. Vol. 1, RURAL. [lxxxiii, 498 pp. Crown 8vo. 1s. net. Hodder & Stoughton. London, 1913.]

This report tells us little or nothing that we did not know before. Every one was aware that there is much in the conditions of rural life in England which is bad, and needs to be altered—low wages, insufficient housing, the drift from the country into the towns, the poor outlook of an agricultural labourer. No one wishes to ignore these evils; but any one who comes to the perusal of this book fearing or hoping to find sensational evidence of a worse state of affairs than he imagined will be—agreeably or disagreeably, as the case may be—disappointed. Mr. A. H. Dyke Acland, the chairman, has written a fair and impartial introduction, acknowledging facts which are often overlooked by those who only see one side of a question; and the committee have aimed at carrying out their investigations in the same spirit, though they sometimes arrive at conclusions very different from those which other persons might draw from their own evidence, and generally end with making out a case against the landlords. But they are not afraid to state evidence which goes against them, and that evidence is in some cases very strong.

It is not possible, or perhaps desirable, to follow them here over the wide range of questions which are at present the subject of political controversy; but the book suggests some considerations of a more general character to which it may perhaps be useful to call attention.

Much depends upon the spirit in which a great national problem is approached, and Mr. Acland definitely deprecates any attempt to make the land campaign a part of that systematized warfare of class against class in which some social reformers suppose the hope of the future to lie. "It is to be hoped," he says, "that we are not about to see the interest of the large owners and occupiers on the one hand set over against the interests of the labourers and small holders on the other." Again, "There is a great amount of kindly feeling in rural life, which perhaps may be turned after a time into a somewhat new channel." Various opinions may be held as to the probable effect upon rural life if all the suggestions made in this book were carried out; but at all events the chairman of the committee does not want to destroy, but to amend. And he knows from his own personal experience how much there is that is worth preserving. It is easy in these days, when every one reads and talks and few people think, to damn a thing by attaching to it an ugly name, such as "landlordism," and insistently dwelling upon the dark side without taking any other considerations into account. The ignorant are imposed upon by this sort of thing, especially if they

happen to have been attracted by shallow theories of social philosophy which predispose them to believe that whatever has been is wrong. But no fair reader will find in the evidence contained in this volume a foundation for a wholesale indictment of our land system, or any support for a "bag and baggage policy," though, as we knew well enough before, there is much which needs to be done to improve matters. "The pressing question," as Mr. Acland says, "is to settle how much the State and the local authorities can be called upon to do."

It looks as if the nation as a whole were beginning to realize once more that the prosperity of agriculture, and of the interests which are inseparably connected with agriculture, is a matter which is of vital importance not merely to one section of the nation, but to the nation at large. Landowner, farmer, and agricultural labourer are "in the limelight." It will do them no harm, after their long sojourn in outer darkness, though they may blink at first, and many of their fellow-countrymen hardly recognize the unfamiliar figures. The vast, lopsided commercial development of the nineteenth century, by brute force of money and numbers, thrust them further and further into the background; the competition of newly-discovered sources of supply, and other more obscure economic forces, intensified the process, which culminated in the agricultural depression of the early eighties. There has been a partial recovery of material prosperity since those dark days, and a real revival of interest; and it perhaps may be not extravagant to hope that in course of time the bulk of the voting power of the country may wake up and realize that land has, after all, other uses than the provision of sites to build towns and factories upon.

The fact is that there is a fundamental difference between urban and rural life; and it is of the utmost importance that it should be recognized that there is no necessary antagonism between them, but that one is the complement of the other and that no country can dispense with either—least of all an island like England, which could be made and should be made far more independent and self-supporting than it has been within the memory of any man living. It is worse than useless to attempt to revive and strengthen rural life by assimilating as far as possible the conditions of labour and the mental outlook of dwellers in the country to those of dwellers in towns. The ideal of an artisan is different, but it is not necessarily higher, than that of an agricultural labourer or small holder. The nation wants them both, and wants each to be himself and not spoilt by an infusion of the other. You cannot improve rural life by spoiling the rural labourer. Here lies a real danger; for those who are most active in social reform are not always characterized by a first-hand knowledge of country life, and are apt to underrate its characteristic features.

There is a story in the Report of an artisan from the north who migrated further south and established himself upon a model country estate, managed upon generous and sympathetic lines, but who found himself so overwhelmed with the consideration shown him by the landlord and his representatives that he could not stand it, and threw up a position of great material comfort rather than submit to what he regarded as derogatory to his ideas of manliness and independence. From his point of view he was right ; if he felt the position intolerable, there was only one thing for him to do. But it by no means follows that every one else ought to feel the same. There is no such thing as absolute independence ; every one who receives money or any other form of reward for services rendered is in that degree dependent ; but this dependence takes various forms, and the different forms strike different people in different ways. What seems comparative freedom to the artisan may easily seem intolerable slavery to the country dweller, and *vice versa*. There is nothing in the relations of landlord, farmer, and rural labourer to one another which need be anything but honourable to all concerned ; and in some important respects the rural labourer is in a better and more dignified position than the average worker in a factory ; for on country estates which are not so big as to be unwieldy, and where the owner lives upon his estate there are more opportunities of personal intercourse, and in many places the old tradition of something which closely resembles personal friendship is still strong.

At the same time it is clear that no attempt to infuse new life into the country can be successful which does not take fully into account the change which has come about in the point of view from which "labour" is regarded by the nation at large and from which it regards itself. This change is not always adequately recognized. "I do not think," writes Mr. Christopher Turnor, "that landowners feel, as it is essential that they should feel, the transition that has taken place, and the changed attitude of the people at large towards the land and landowners" (*Land Problems and National Welfare*, p. 39). We are often told that the age of patronage is gone ; and in so far as the word implies anything that is derogatory to self-respect, it is well that it should have gone. There has been a good deal of it in the past, and it is not extinct yet, but those who incline to it will find out, if they have not done so already, that the temper of the time is against it. At the same time there are many people who would indignantly deny that the attitude of the best type of landowner and his family towards their tenants and labourers could ever be adequately described as "patronage." This is a mystery which some people find very hard to understand.

We are all agreed that we want to get more people back on to the



land, to re-populate the country, and are occupied with schemes for multiplying small-holders and increasing the number of agricultural labourers. There is another class of whom not so much is heard, but whom it is equally important to re-establish, and that is the owners of small or medium-sized rural estates. It is disappointing to find no allusion to them in the Report. "Already," to quote Mr. Turnor again, "the majority of owners of purely rural estates of 5000 acres or thereabouts can no longer live at home unless they have an income from other sources than land. Such a condition is unsound, and cannot last." (*Land Problems*, p. 16.) The result is that some of them sell their properties, and others let them, hanging on in the hope of some change of fortune. It would be interesting to know what percentage of owners of this type are living away from their own estates. Various causes have combined to produce the present state of affairs—past mismanagement, recent legislation, increase in the cost of upkeep, a diminished rent-roll, motors and luxury among others; but most people would agree that the position is unsatisfactory, and that this particular class is necessary for the welfare of the country and plays an important part in rural economy. It makes a difference to the neighbourhood whether the occupant of the big house is the owner whose family has been connected with the district for many years or even generations, or a lessee who flits from one part of the country to another on the completion of a tenancy as the whim seizes him. Let those who do not believe this study the evidence to be found in this very Report of the difference between the welcome which is usually accorded by farmers to the owner of the land and their sullen toleration of the "shooting tenant." If English country life is to be strengthened, it must be taken as a whole and no link of the chain can be omitted.

I will only mention one other point. The infinite diversity of country life, arising from diversity of soil, diversity of climate, diversity of temperament and character, diversity of custom and tradition in different parts, must be taken into account, weighed, pondered, and accepted. All this requires intimate knowledge. Paper schemes, elaborated in offices in accordance with preconceived theories, are useless. It is perfectly futile, for instance, to start small holdings where small-holdings could not possibly be made to pay under present conditions. Some of the county councils have failed egregiously in this respect. I know of an instance in which an estate which came into the market was purchased by a county council over the head of the sitting tenant farmer, whom they outbid and ousted. The estate was divided up; much money was spent on a mushroom crop of red-tiled farm buildings scattered over the fields; many of the inhabitants of the little village lost their occupations and their homes; the upheaval was complete.

And what was the result? The village publican and the carpenter got a few acres which they were very glad to have and were very useful to them: the rest, the small-holders proper who were to make a living from their holding, were, when I saw them, vainly struggling to support themselves by treating their holdings on lines only suitable to a great farm, and to wring some sort of subsistence out of the heavy, water-laden soil, with the nearest railway station some miles distant, devoid of the shadowiest conception of the value of co-operation in any form.

*Non tali auxilio, nec defensoribus istis*

*Tempus eget.*

L. V. LESTER-GARLAND.

LA PETITE INDUSTRIE CONTEMPORAINE. Par VICTOR BRANTS, Professor à l'Université de Louvain. [viii, 250 pp. 12mo. 2 frcs. Lecoffre. Paris, 1913.]

LES PETITES INDUSTRIES RURALES. Par M. ARDOUIN-DUMAZET. [232 pp. 12mo. 2 frcs. Lecoffre. Paris, 1913.]

What is to become of our "small industries"? This question, which in his day greatly interested Arnold Toynbee, is now as vividly interesting Continental Governments. They do not wish to see the old traditional stay of the quiet and easily governed "middle class" die out; more particularly are they trying to maintain it in country districts even though it be at a sacrifice to the taxpayer. M. Ardouin-Dumazet—already favourably known by his many-volumed *Voyage en France*—is in addition concerned to stop rural depopulation and to restore prosperity to the country-side, the mountain and the forest.

In this kingdom also—at any rate in Ireland—many are trying to promote small home industries, as an auxiliary to petty husbandry, and as a means of furnishing employment when field labour is suspended. That deserving body of feminine patriots, the "United Irishwomen," are, under the active leadership of Lady Fingall and Mrs. Pilkington, earnestly labouring to provide occupation of this sort for Irish small farmers, whose capacity for turning out attractive and original wood and metal ware is shown by the periodical exhibitions of such products held in London. Unfortunately these ladies make little headway. The difficulties in the way are too considerable.

M. Ardouin-Dumazet, in his attractive little book, has to tell of the yielding of old cottage industries at many points in France. As it happens, they are all such as would not be of much use to ourselves. In other directions rural small industries are abroad distinctly gaining ground, *e.g.* embroidery. But M. Ardouin-Dumazet puts the earnings of embroiderers too low—at 2½ francs and downwards; for at Lunéville, a

leading district in the matter, I have found women confessing to earning 10 francs a day. Professor Brants—whose name, familiar to students, vouches for careful scientific work—has practically the same tale to tell with regard to small industries in general. His evidence, showing small industry to be after all holding its own, would be more complete if his book were not really a reprint, with only an appendix added, to bring it up to date. For since the body of the work was written statistics have been collected and published in Switzerland, in the United States, and in the Professor's own country, Belgium, showing that, albeit small industry naturally shifts its ground, abandoning the peculiar employments for which factory labour is better suited, it keeps on extending rather than contracting. There are some very quaint small industries (of which M. Ardouin-Dumazet tells); for instance, the making of canvas shoes with cord soles (*espadrilles*), extremely light of wear but not very durable, of which France exports large cargoes to tropical countries, and the "prehistoric" lucifer matches of the Argonne. Much of our own brushware, so it appears, comes from the French department of the Oise, where it employs a goodly number of rural folk in their homes. The ideal industry for small farmers' families, fully consistent with the pursuit of agricultural work, M. Ardouin-Dumazet has found to be crocheting.

HENRY W. WOLFF.

MANUEL PRATIQUE DES INSTITUTIONS SOCIALES AGRICOLES. Par LE COMTE DE LAUBIER et LE COMTE J. DU PLESSIS. [356 pp. 12mo. 3 francs. La Bonne Presse. Paris, 1913.]

LES SYNDICATS AGRICOLES. Leur Action Economique et Sociale. Par LE MARQUIS DE MARCILLAC. [x, 264 pp. 12mo. 2 francs. Lecoffre. Paris, 1913.]

While we are bent upon "organizing" our agriculture, agricultural organizations in other countries, more advanced in this matter than ourselves, are bound to possess a distinct interest for us. These two volumes, which very correctly, and very clearly, portray all that is going on in France under such aspect, have a good deal to teach us that is worth knowing. Both have the advantage of issuing from the same quarter, the quarter in which agricultural organization was first generated and promoted and which has maintained its independence of the State.

The *Manuel* shows what a truly astounding array of "social" institutions for the intended benefit of agriculture France now possesses. If we had anything like the same number, the book would serve admirably as a model for ourselves. We have here the *Crédit foncier*, the

*Crédit agricole*, the *Associations syndicales*, the *Bien-de-famille* (which, however, has not answered particularly well), co-operative societies, syndicates, insurance societies, everything very clearly explained.

M. de Marcillac's book is equally clear, but far more full within its own more restricted province. And it has an object besides that of merely imparting knowledge. The French, judging by their own distributive societies, have got into a way of considering "co-operation" a mere method for the cheapening of purchases. All the more highly do they value their "agricultural syndicates" which to our mind bear too much of a one-class character. But that is just what has made the otherwise distrustful peasant join the organizing movement in so great numbers. M. de Marcillac's book will take the place of the standard work of the Comte de Rocquigny, bringing particulars up to date and showing what a remarkable variety of useful services agricultural syndicates have rendered. And it does more: for it is since Comte de Rocquigny wrote that the French State has usurped so much authority to the detriment of true co-operation. Against such usurpation the agricultural syndicates are now rising in revolt. They have actually formed their own central co-operative bank. Our own agricultural authorities would do well to take note of what is here said. The boasted Government *Crédit Agricole*, which we hear so much eulogized, has actually lent out less by more than £20,000,000 than the free credit movement, drawing ultimately upon the Bank of France—viz. only 250 million francs as against 576 millions. And in the State spoon-fed banks only insufficient reserve funds are formed, repayments are tardy, and deposits come in sparingly.

HENRY W. WOLFF.

A CALENDAR OF THE COURT MINUTES, ETC., OF THE EAST INDIA COMPANY, 1650-1654. By ETHEL BRUCE SAINSBURY. With an Introduction and Notes by WILLIAM FOSTER, C.T.E. [404 pp. 8vo. 12s. 6d. net. Clarendon Press. Oxford, 1913.]

Previous volumes of this series have made us familiar with the persistent rivalry which existed between the English and the Netherlands in the East Indies. This rivalry, by no means confined to the East, culminated in open war, so that the years here dealt with were of necessity lean years to a trading company. Still the war was not prolonged and there was the prospect of some permanent settlement when peace was brought about. There was, indeed, something of an anti-climax in the settlement finally arrived at. The English claim against the Dutch East India Company had been for some three million pounds; and yet the English were found ready to accept the sum of

£85,000, with the doubtful gain of the little island of Pulo Run. But it must be remembered that the Dutch had themselves put forward counterclaims to an almost equal amount; and it was a great gain to have the old troublesome scores wiped from the slate.

Though the actual volume of trade may not in these years have been great, we note a general sense of quiet confidence on the part of those interested in the Company in the permanence of their undertaking. All were agreed in their desire to proceed with the trade and keep it from falling into the hands of the Dutch, "which cannot be done without the countenance and assistance of our superiors, the which hath bine the foundation of the Hollanders' trade." The eager manner with which the question was canvassed whether the trade with the East could better be carried on under the system of joint stock or under the system of private persons forming a regulated company showed the general belief that under the strong hand of Cromwell the future of English enterprise would be secure.

Meanwhile the East India Company pursued doggedly and gallantly its ordinary business. When William Methwold was re-elected deputy-governor, he remarked, "hee had served from tyme to tyme when there was something to bee gott, by reason whereof hee will not totally excuse himselfe, because there is nothing to be gott now." When invited by the Council of State "to sett out shipps of warr against the Hollanders," the company did not plead inability, but only put forward the reasonable demand that its expected ships must first be given safe convoy up the British Channel "for until their arrival no help can be given, the Company having neither stocks nor ships in England and being indebted £30,000." In April, 1652, "a petition from the inhabitants of Blackwall is read, wherein they state that because of the great distances from Stepney Church in wet and cold weather few of them can attend, and in summer there is no room, and therefore they pray that the Company will help towards the completion of the chape by the almshouse at Poplar, for which they have already laid a foundation; after some consideration the committee decide to contribute £200 to this object."

Moreover, with diminishing returns, the Company was by no means free of its old anxieties. The mischief of private trade was still general. Thus we are told that "Thomas Winter, a factor returned from Bantam, desiring that the goods he brought home may be delivered unto him, the Court calls to mind that he and others freighted a ship with rice (wholly on their own account) from Bantam to Madraspatam, and that Winter went in her leaving the Company's business until his return, and made £4000 in a month's time; hereupon it is conceived fit that Winter shall answer for this and other objections laid to his charge

before his goods are delivered to him." The Company had serious cause of complaint against the Customs officers, who only gave to their duties three hours a day, "which hinders the landing of . . . goods and causes great expense." It is interesting to find in 1650 the Company's porters demanding and obtaining increased pay "in regard of the great charge of housekeeping and the extraordinary taxacions in these hard tymes." Again, "the porters at the exchange cellar complain that they cannot live on 20*d.* a day, that sifting pepper is very tedious and their other labour very hard; therefore they desire to be allowed 2*s.* a day. To this the Court consents so long as they are at work; but orders that when they are idle nothing is to be paid to them."

Enough has, it is hoped, been said to show that this volume, like its predecessors, is a mine of information to those quarrying in the economic and social history of the past.

H. E. EGERTON.

THE SIX PANICS AND OTHER ESSAYS. By F. W. HIRST.  
[vi, 272 pp. Cr. 8vo. 3*s.* 6*d.* net. Methuen. London, 1913.]

From the days of the Tudors, when first the Blue Water School began to come to the front, the minds of Englishmen have never been for long free from the thought of invasion. Whether they have really feared it as much as they have said they did is another matter. At any rate, they have continually set up first one country, then another, as an enemy only biding the propitious moment to strike. This need of a bogey has been particularly exemplified during the past eighty years. In spite of Trafalgar and Napoleon's failure at Boulogne, the fear of France broke forth in one panic after another, until finally removed by the war of 1870. Russia, and her designs on India, next worried our minds. When her defeat in 1904 put her out of the question as a bogey, we succeeded in finding at our very doors a country whose power and proximity would cause us thrills. The German bogey has led to the greatest panic of all.

The object of "The Six Panics," as the author explains in his preface, is "to prevent the abominable waste of public money in which a successful panic always ends." With the first three panics, of 1847, 1851, and 1859, Mr. Hirst deals but slightly. The ground had been already covered by Cobden in his *Three Panics*, a "scathing exposure of these senseless frights and the fabrications accompanying them." Mr. Hirst evidently hopes that his exposure of the panics of 1884, 1909, and 1913 will be equally scathing. All will turn with interest to what he has to say about the Dreadnought Panic. "I will prove," he says (p. 96), "to the satisfaction of every reader that the whole thing was an imposture

from beginning to end." One reader at any rate he has not satisfied. The present writer was quite willing to be convinced and to pass into the ranks of those elect who could view with a calm smile of pity the hoax so successfully practised on Mr. Asquith and Mr. Balfour and many another leading statesman. But neither the facts Mr. Hirst has produced, nor the events that have taken place since, go to prove that the panic was baseless. His argument is somewhat weakened by an unfortunate slip on p. 97, where he says that Germany was to have twelve Dreadnoughts ready in March 1911 and sixteen in November. The numbers should have been nine and thirteen respectively. He then goes on to point out that the actual number Germany had in March, 1912 was nine ! But on a previous page, p. 93, he had quoted Prince Bülow as stating definitely, in 1909, that Germany would have "only thirteen Dreadnoughts in 1912." Who can say that the smaller number was not due to Germany easing off in view of our increased preparations ? We in return slackened our pace, having only fifteen Dreadnoughts in commission in March 1912 (p. 77), instead of a possible twenty (p. 84). Would Admiral von Tirpitz have accepted the 1·6 ratio in 1909 ? But the question is one for every reader to decide for himself. It is a tribute to the fairness and completeness of Mr. Hirst's presentation that the facts which may be used to refute him can be drawn from his own pages.

The other essays deal with a variety of subjects. The most interesting, perhaps, is that on John Bright, one evidently written *con amore* ; while that on List calls to mind an economist who ought to be better known. There is a charming essay on "Foreign Travel." That on "Time and Speed" is less fortunate. But whether one agrees or not with all the author says, these essays may be confidently recommended as interesting and stimulating, notably, perhaps, the one on "Prize Money and Capture in Naval Warfare."

W. H. LAWSON.

OUR NATIONAL CHURCH. By LORD ROBERT CECIL, K.C., M.P., and the REV. H. J. CLAYTON. [236 pp. 12mo. 1s. net. Warne. London, 1913.]

It is a reasonable presumption that the present crisis of the Church in Wales is the occasion of this little volume. Yet it would be impossible to judge so from the book itself. The authors make little reference to disestablishment or disendowment, and where they do so it is merely to explain the present position of the Church. We may suppose that they believe facts will speak for themselves.

The volume gives us a sketch of the history of the English Church from its origin to the present time. It also contains interesting chapters on its civil and ecclesiastical constitution, and on Church property ;

and it has four useful appendices and a good index. Clearly it is written for popular reading rather than for the scholar ; yet it contains a great deal of valuable information which otherwise could only be obtained by searching many standard authorities, and so escapes the risk of being either merely obvious or dull.

Doctrinally the tone is Catholic but not extreme. The chapters on the sixteenth century strongly emphasize the differences between the English and the Continental Reformations, and point out the special continuity of the modern English Church with the Church of the Middle Ages. But on the other hand it is urged no less candidly that the Evangelical, the Broad Church, and the Oxford Movements have each contributed their share to the spiritual life of the whole.

J. H. BLAKSLEY.

**TORYISM.** A Political Dialogue. By KEITH FEILING. With an Introduction by The Rt. Hon. F. E. SMITH, K.C., M.P. [158 pp. Cr. 8vo. 2s. 6d. net. Bell. London, 1913.]

This little book is the latest production of young Oxford Conservatives, and its object is to state the fundamental principles of Toryism. It is written in the form of a dialogue with four dramatis personæ. There is Edward Franklin, "a Tory on principle"; Henry Arthur, M.P., a whip, who was brought up a Whig; Lord John Ellingham, M.P., a cynic, but "prejudices apart a real Tory"; and Richard Bellinger, a Tory democrat. The scene is Franklin's library, and it falls to Franklin to state the true Tory case.

He reminds his hearers that their party has been many years in the wilderness, and that the swing of the pendulum is at least very slow. He entreats them to discard tactics and to trust to the root principles of their belief. Toryism, he maintains, has such principles, while Liberalism has not. Toryism stands for a permanent element in national life: Liberalism draws its strength from the passing needs of the hour. The root principle of Toryism is authority, based securely upon religion. Its spirit is centered in the words, "God, Law and Order," setting duty before rights and service before advancement. "The State and Church are one," he says, "and the whole is founded on Divine right"; and elsewhere: "These things I take to be the main objects of Toryism, order before wealth, the balanced life before uniformity, self-sufficiency before dependence."

The book is not primarily intended to give advice on the immediate problems of the hour; but towards the close it discusses a Second Chamber, National Service, Protection, and other practical questions, and shows their connexion with the theories which it lays down.



Substance for much thought is condensed within the little volume, and it can be recommended without hesitation to any one who wishes to reflect on the historic principles of the Conservative party.

J. H. BLAKSLEY.

L'EXPANSION DE L'ALLEMAGNE. Par LE CAPITAINE HENRI ANDRILLON. [364 pp. 12mo. 3 fr. 50 c. Rivière. Paris, 1914.]

*Qui a bon voisin a bon matin.* Since 1870 the French have been as much troubled about their next-door neighbour, who spoils their nights and days as well as their "mornings," as were the Germans in an inverse sense during some centuries previously. It is not surprising that they should watch that neighbour's astonishing "expansion" with keenly attentive eyes. The present little book, which has been distinguished by ministerial favour and has run into its second edition in very short time, takes the widest popular view of the prodigious growth of Germany in, perhaps, something of an alarmist temper. However, the survey of Germany's progress and future prospects under an economic aspect contains much noteworthy matter.

Captain Andrillon more particularly points out what a great advantage the dispersion of German men of business all over the world gives to their mother country. They are to be met with everywhere. And they are not doing badly, but steadily becoming substantial powers in the very hearts of competing countries. This emigration began in weakness. There were clerks in want of berths and men of enterprise in want of opportunities. Up to 1870 they assimilated readily with the nations among whom they dwelt. The Germans in France became more French than the French themselves, the Germans in England more English than the English. The year 1870 has changed all that. The Germans come in greater numbers, with more money, but they remain patriotic Germans.

What Captain Andrillon says about the expansion of the German banking system as an aid to commercial "expansion" is particularly deserving of notice. These banks establish themselves everywhere. They fish for business and engage in a far greater variety of such than our own steady-going orthodox establishments. Everywhere they study to support and develop specifically German business enterprises and so constitute themselves formidable advanced posts of specifically German commerce. Captain Andrillon compares them to our coaling stations, which give our naval power so much of a grip upon the world.

It is a serious disfigurement to the volume that it is bound very much awry.

HENRY W. WOLFF.

THE HISTORY OF THE GRAIN TRADE IN FRANCE, 1400-1710. By A. P. USHER, Ph.D., Instructor in Economics, Cornell University. [405 pp. 8vo. 8s. net. University Press. Harvard, 1913.]

This is Volume IX. of a series of publications issued under the general title, "Harvard Economic Studies," which give the results of research into certain economic movements in Great Britain, the United States and on the Continent. In this work the growth of an inter-market trade in corn throughout France is traced from small beginnings. Owing to lack of information, to difficulties of transport and to the selfish actions of individuals and of municipal authorities, it frequently happened at this period that the supply of grain was plentiful in one centre, while acute scarcity was experienced in another. At first, the only equalizing agents between local markets were the *blatiers*, or small corn-factors, who bought where there was a surplus, and carried their purchases to neighbouring towns where the demand was unsatisfied. Wealthy individuals would often hold quantities of grain in excess of their needs in order to secure larger prices, and local authorities would forbid exportation from their immediate districts to the larger towns.

The most powerful influences which served to wear down these isolating obstacles came from Paris and Lyons. The demand made by these cities drew corn from hundreds of little markets, and their governing authorities were granted power to secure a supply wherever it was convenient. At the beginning of the sixteenth century the question was taken up by the Government and the King, and edicts regulating the trade on a national scale were issued. Mr. Usher traces this development clearly, illustrating it with quotations from documents official and unofficial. As an economic study this is extremely interesting, because it reveals in connexion with the greatest constituent of commerce, the acute conflict of motives in different individuals and different communities dependent on it, and shows also how in the evolution of a great trade a minister like Colbert by his devotion to a theory was led to expect, and to make elaborate preparations for coping with, situations which never arose. As a piece of history the results of this research throw light on the condition of France under Ministers and Kings who won reputations for other achievements than a successful domestic policy. In these centuries we see a marvellous growth of conscious effort to organize trade, in contrast with the old fatalistic habit which made people regard famine as the work of Providence.

JOHN ORR.

## SHORT NOTICES.

ESSAYS IN TAXATION. By EDWIN R. A. SELIGMAN, Professor of Political Economy in Columbia University. [xi, 707 pp. 8vo. 17s. net. Macmillan. London, 1913.]

Professor Seligman's *Essays on Taxation* are too well known and established to demand anything in the nature of a review, even if an adequate review were possible. The present edition, however, has been carefully revised and largely rewritten; moreover, the author has inserted a number of scattered essays and addresses which, while they hardly improve the form of the book, certainly add to its value. The corrections and additions taken together are sufficient therefore to make the present edition a "substantially new" as it certainly is a greatly extended book. It is a book that no economist's library can be without, while the review of recent reforms in taxation gives it a special interest for English readers. We may, in fact, apply to this work the generous words the author has himself used of the book of his English contemporary. It is "so accurate in statement, so catholic in temper, so sagacious in judgment, and so broad in erudition, that it will undoubtedly give a new impetus to the scientific study of fiscal problems in England." If this is true of Professor Bastable's *Public Finance*, it is as eminently true of Professor Seligman's *Essays in Taxation*.

SWEATED LABOUR AND THE TRADE BOARDS ACT. Edited by the Rev. THOMAS WRIGHT. [78 pp. 8vo. 6d. net. King. London, 1913.]

FIRST NOTIONS OF SOCIAL SERVICE. Edited by MRS. PHILIP GIBBS. [80 pp. 8vo. 6d. net. King. London, 1913.]

Two of the excellent series of sixpenny handbooks published under the title of "Catholic Studies in Social Reform," which, with Monsignor Parkinson's recently published *Primer of Social Science*, go a long way towards providing Roman Catholic circles with a clear and able statement of social problems, and of the attitude of their Church towards them. That attitude cannot fail to be a source of interest to members of other communions, but the essays themselves are of value independently of that. The general position adopted is that our present evils "are largely due to an abandonment, not only of the guidance of the Church, but also of the Christian ideal"; while at the same time "the social reform movement is to a great extent influenced by the anti-religious and naturalistic spirit of the age." Mrs. Gibbs' little book is intended as a manual for the use of Roman Catholic schools and colleges.

**PROFIT SHARING AND CO-PARTNERSHIP: A FRAUD AND A FAILURE?** By E. R. PEASE. [16 pp. 8vo. 1*d.* Fabian Society. London, 1913.]

The author's answer to the question is that "Profit Sharing and Co-partnership may be properly called a 'piffling palliative,' which assumes the permanent continuance of the antithesis between employer and employed." To one who believes that "there can be no true fellowship between the employer and his hands, the master and his men," it was a foregone conclusion. Profit sharing is regarded as destructive of industrial solidarity, and therefore Trade Unions should have nothing to do with it; but a benevolent employer is to be allowed to make genuine gifts "for which no return is asked either in extra exertion or in 'loyalty' . . . just as the landlord may properly distribute blankets and beef to the cottagers on his estate." He may give his men, apparently, as much as he pleases in the way of casual presents, but must not attempt to put them in a better position by giving them a definite share in the prosperity of the business over and above their regular wages.

**EVOLUTION BY CO-OPERATION.** By HERMANN REINHEIMER. [xiii, 200 pp. Cr. 8vo. 3*s.* 6*d.* net. Kegan Paul. London, 1913.]

The object of this book appears to be "to replace Natural Selection by a theory of bio-economic co-operation." But a serious contribution to scientific theory needs other qualifications than a taste for stringing together ill-digested quotations, and be-sprinkling the pages liberally with pseudo-scientific jargon. The character of the whole book may be gathered from the following sentence, which is printed in italics, and therefore presumably regarded as important: "Such 'nutritive' amphimixis—preceded, as it requires to be, by adequate reciprocal activities—by restoring Force, Qualities and Balance (metabolic and morphological), constitutes, in my view, the most potent factor of progressive evolution."

**ARTIFICIAL FLOWER MAKERS.** By MAY VAN KLEECK. [280 pp. Crown 8vo. \$1.50. Russell Sage Foundation. New York, 1913.]

This volume, the second of a series dealing with the conditions of women and work, is compiled in the same thorough, painstaking manner as its predecessor. The evils attendant on piece-work done in the home are insisted on. The records given show similar conditions in the tenements of New York as in Whitechapel; the work of little children; the prolonged hours of young girls after the day of labour

in the factory ; the pressure compelling the mother to make some contribution to the family income even when the husband is at work ; the irregular hours ; the short seasons ; the general level of inefficiency which the system tends to foster ; and the overcrowded homes.

From the interesting chapter on the trade in Paris we can glean some of the causes that have made France so prosperous and French working people wealthier and more civilized than the same class in any other country. The workers are better trained and are more economical. The cleanliness and attractiveness of the rooms of the Parisian home workers are noted. Some account is given of the system of apprenticeship which plays so large a part in skilled trades. The higher the quality of the work, the better are the conditions of the workers. The comparison between the flower-makers of Paris and New York confirms the belief that sweating cannot be abolished as long as there is so great a demand for shoddy luxuries, poor, vulgar imitations of beautiful and costly objects.

THE ORIGIN OF PROPERTY AND THE FORMATION OF THE VILLAGE COMMUNITY. By JAN ST. LEWINSKI. [xi, 71 pp. Crown 8vo. 3s. 6d. net. Constable. London, 1913.]

Mr. Jan St. Lewinski has made use of material collected by the Russian Government during the last thirty years. It has been investigating the forms of property found among the various nomadic and settled peoples of Siberia, representing very different racial and economic conditions. He also uses illustrations drawn from various other primitive races in support of his contention that the whole evolution of property can be traced back to four elements : (1) the economic principle ; (2) the principle of numerical strength ; (3) the growth of population ; (4) the relation of nature to human wants.

LES MATHÉMATIQUES APPLIQUÉES À L'ÉCONOMIE POLITIQUE. Par WL. ZAWADZKI. [332 pp. 8vo. 8 francs. Rivière. Paris, 1914.]

Political economists are at present taken up rather with practical questions of actual life than with a search for algebraic formulas and mathematical diagrams to reduce economic principles to stereotyped rules. However, the problem of discovering precise forms of such kind retains its scientific charm for some among the elect. In his learned book the author reviews in succession very carefully the various theories put forward by Canard, Whewell, Von Thünen and their successors, but himself comes to the conclusion, with which probably most of his readers will agree, that the time is not yet fully ripe for the final acceptance of a mathematical key to economic science.

